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ABSTRACT

This report provides financial data on Oakton Community College for the fiscal year ending June 30, 1998. The report is divided into four parts: (1) the introductory section, which includes letters from school officials, an organization chart, and a copy of a Certificate of Achievement for Excellence in Financial Reporting earned in 1997; (2) the financial section, consisting of a report of independent public accountants, basic financial statements, supplemental financial information, and a description of plant funds; (3) the unaudited statistical section, providing 13 tables concerning taxable property, revenues and expenditures, debts, student demographic statistics, property value, and miscellaneous statistics; and (4) the special reports section, containing detailed uniform financial statements, compliance reports, and grant information. Revenues for fiscal 1998 totaled $56,505,000, a decrease of 1.8% from the prior year. Local property taxes provided 42.8% of revenue; local, state, and federal support accounted for 20%; and student tuition and fees contributed 14.8%. Total expenditures for the year were $51,147,000, which was 1.4% higher than 1997. Instruction accounted for 43.8% of total expenditures, auxiliary enterprises consumed 21.5% of expenditures, and administration accounted for 8.2%. (AS)

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

OAKTON
Community College

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Fiscal Year Ended June 30, 1998

Community College District 535
Des Plaines, Illinois

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
Des Plaines, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 1998

Prepared by:
Business and Finance Office

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OAKTON COMMUNITY COLLEGE
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GROWTH
1969

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 1998

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

Fiscal Year Ended June 30, 1998

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Introductory Section

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Oakton Community College

Office of the President
1600 East Golf Road
Des Plaines, IL 60016-1268
(847) 635-1801
FAX (847) 635-1764

President's Letter

September 21, 1998

Ladies and Gentlemen of the Board:

I am pleased to submit to you and the residents of District 535 the Comprehensive Annual Financial Report for Fiscal Year 1998. This document presents the record of the College's financial operations for the year just ended.

We look back on a year marked by notable achievements. We received reaccreditation for ten years from the North Central Association's Commission on Institutions of Higher Education. We advanced in the process of converting our management information systems from mainframe-based to client server technology. We addressed the Y2K challenge. We engaged in an institution-wide process of strategic thinking and planning; reviewed and revised our mission statement; articulated an expression of our core values which inform our working and learning together; and developed a set of strategic goals that will guide our priorities as the century turns into a new millennium.

Once again the College and its people have been recognized and honored for excellence in performance in the community, in the state, and in the nation. But more important than all of the institutional recognition and honors are the stories we have heard and have been able to tell of the success of our students. Our students are young and old, traditional and non-traditional, credit and non-credit seeking, pursuing degrees, or just taking a course or two. What they all have in common is that they come to Oakton to learn. The composition of the student body now includes almost 25% enrolled in credit courses who hold bachelors' degrees or higher. As the community's college, Oakton is far more than a place where students can and do spend a year or two before moving on to four year institutions both in Illinois and across the country. Oakton is an affordable, accessible, high-quality resource for the learning needs of adults who want or need to upgrade their skills, change careers, maintain certification, or advance in their professions.

I am grateful to the community which supports us, the students who enroll with us, the trustees who govern us. And I am proud of and thankful for all those who work with unflagging dedication to make Oakton a learning place where, in so many ways, people who come to learn are empowered to reach for the future.

Respectfully,
Margaret B. Lee
President

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Oakton Community College

Vice President for
Business and Finance
1600 East Golf Road
Des Plaines, IL 60016-1268
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Letter of Transmittal

September 21, 1998

To President Lee,
Members of the Board of Trustees, and
Citizens of Oakton Community College District No. 535:

The comprehensive annual financial report of Oakton Community College, Community College District No. 535 (the College), County of Cook, State of Illinois, for the fiscal year ended June 30, 1998, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

The Comprehensive Annual Financial Report, which includes all funds of the College, is presented in four sections: introductory, financial, statistical and special reports. The introductory section includes the President's Letter, this transmittal letter, the College's principal officials and an organization chart. The financial section includes the basic financial statements and supplemental financial information which include the combining and individual fund financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis. The special reports section includes Uniform financial statements, Certificate of Chargeback reimbursement, grant financial statements and enrollment schedules required by the Illinois Community College Board (ICCB) together with the related auditors' reports.

The College's mission is determined by the Illinois Community College Act, which established the statewide community college system. Simply stated, that mission is to serve the post-secondary educational needs of the residents of District No. 535.

It is through the following purposes that Oakton carries out its mission:

- Baccalaureate and general education for students planning to transfer to four-year colleges or earn an associate degree in liberal arts, business, science, or pre-engineering.
- Occupational education to provide students with career training suitable for obtaining employment or enhancing occupational skills.
- General or developmental studies for students requiring additional preparation before they can begin college-level education.

- Continuing education for residents of the community desiring classes without having to enroll in formal college-level education.

- Public service activities to meet specialized needs of the community; such activities may include workshops, seminars, and classes on and off campus.

- Student services including counseling, advisement, testing, and special services.

The College maintains its accounts and prepares its financial statements in accordance with generally accepted accounting principles (GAAP) as set forth by Governmental and Financial Accounting Standards Boards (GASB and FASB), National Association of College and University Business Officers (NACUBO) and the ICCB. As permitted by GASB, the College has elected to follow the 1994 AICPA College and University model for financial reporting purposes. These bodies require accounting by funds in order that limitation and restriction on resources can be easily accounted for. The financial records of the College are maintained on the accrual basis of accounting whereby all revenues are recorded when earned (except for property taxes which are recorded on the modified accrual basis) and all expenditures are recorded when they have been reduced to a legal obligation to pay. Tuition and fee revenue and expenditures incurred prior to June 30, 1998, which relate directly to 1998 summer session, have been deferred. The notes to the financials expand and explain the financial statements and the accounting principles applied. All College funds are presented in this report and have been audited by the independent public accountants, Arthur Andersen LLP. Their report is included as part of the financial presentation.

ALLiance for Lifelong Learning (ALLiance) is a consortium of the College and three high school districts (Maine Township District 207, Niles Township District 219 and Northfield Township District 225) located within the geographical boundaries of the College district. ALLiance provides a comprehensive program of adult and continuing education to the community. The College is fiscally responsible for the program and assumes responsibility for ALLiance's operations. The College appoints one half of the representatives on ALLiance's Board of Trustees and the other half is appointed by the three high schools. ALLiance is considered to be an education program of the College and the results of its financial transactions are included in the College's financial statements.

ECONOMIC CONDITION AND OUTLOOK

The College's district is located just north of Chicago with Lake Michigan as its eastern border and O'Hare airport just outside the southwest corner of the district. It includes all of five townships: Evanston, Maine, Niles, Northfield and New Trier and one square mile of Wheeling township. The main campus is located in Des Plaines with a second campus (Ray Hartstein) in Skokie. District 535 is one of the most affluent areas of the United States and is an area interested in the highest quality of education at all levels. It is primarily made up of bedroom communities, office buildings, regional and local shopping areas and a small amount of light manufacturing and, therefore, is insulated from major changes in the economy. It includes many major publicly held corporations such as: Kraft, Allstate, G.D. Searle, Culligan, Illinois Tool Works, Zenith, Federal Mogul, United Stationers, Idex Corporation, Underwriters Laboratories, Inc., Household International and Comdisco, among others. The district has four major regional shopping centers, Old Orchard, Golf Mill, Village Crossing and Northbrook Court, as well as smaller centers and shopping strip units. It has low unemployment and one of the highest property values per

community college student in the country. Even though the high school graduations in the last ten years have significantly decreased, the College's student and ALLiance's Adult Continuing Education enrollment remained relatively stable over the last five years as illustrated in the following table. ALLiance's enrollment for 1998 is projected since registration is still in process.

	FALL				
	1994	1995	1996	1997	1998
Head Count	10,501	10,976	10,404	10,007	9,785
Full-Time Equivalents	5,169	5,522	5,191	4,981	4,833
ALLiance Head Count	7,603	7,721	7,971	7,971	8,245
Full-Time Equivalents	795	779	829	838	855

The College has the resources required to serve student enrollment. North Central Association of Colleges and Schools approved a ten-year accreditation in 1997, and indicated that fiscal management and resources were strong assets of the College.

MAJOR INITIATIVES

Mission and Organization. Under President Lee's guidance, the College has completed the reorganization plan to position itself to better carry out its mission in the present and in the near future. Information Technology, Institutional Relations, and the Business Institute have completed their respective restructurings. The academic divisions' realignment of programs and disciplines has been completed in order to provide a more compact and efficient instructional organization. These changes and transfers have served to enhance the atmosphere of openness, dialogue, and collegiality necessary for accomplishing cross-institutional initiatives and opportunities.

Planning, Accreditation, and Accountability. The North Central Association's Commission on Institutions of Higher Education has completed its review of the College's comprehensive self-study, incorporating program reviews of every area of the College. The College's successful review resulted in another ten years of accreditation. At the recommendation of the North Central team, the College has initiated a strategic planning process with the expectation that a revised mission and strategic goals will be set for 1999 through 2002.

Technology. The Technology plan, which both administers and supports the College, continues to evolve. Staff and consultants are writing the Student Information System with completion in the spring of 1999. The Oracle Financial Information System has been installed and operating since July 1998. Plans for a new Human Resources and Payroll system are in the review stage. Other systems with the year 2000 problem have been identified and plans for changes or revisions are underway. The College has spent $5.6 million on technology since June 1996, with a commitment of $3.5 million for the next two years. The final phase of replacing all PC's that are not year 2000 compliant will be completed in the next fiscal year. The implementation of a single E-mail System has been completed and the move to Windows NT and Microsoft Office applications is significantly completed with only isolated areas to be converted.

Human Resources Development. The College successfully completed a four-year agreement with full-time faculty.

Resource Allocation and Funding. The College continues its course of prudent fiscal management while aggressively pursuing alternative funding sources. In the last four years, outside funding has increased to over $10 million and the Foundation assets have grown to almost $4 million. The College maintained operating expenditures at a 94 percent level in FY98, allowing use of the funds in the future.

FINANCIAL INFORMATION

Internal Control. Management of the College is responsible for establishing and maintaining an internal control structure designed to protect the assets of the College, prevent loss from theft or misuse and to provide that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls. The College maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's Board of Trustees.

Activities of the following fund groups and individual funds are included in the annual budget.

Fund Group	Fund
Current Unrestricted	Education
	Operations and Maintenance of Plant
	Auxiliary Enterprises
	Liability, Protection, and Settlement
	Audit
	Working Cash
	Working Cash Bond Retirement
Current Restricted	Restricted Purposes
Agency	Agency
Loan	Loan
Plant	Operations and Maintenance (Restricted)

The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established for each individual fund. The College also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are re-authorized as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the College continues to meet its responsibility for sound financial management.

College Functions. The following schedule presents a summary of current funds revenues (Unrestricted and Restricted) for the fiscal year ended June 30, 1998 and the amount and percentage of change in relation to prior year revenues.

Revenue Sources	Amount (000)	Percent of Total	Change from 1997 (000)	Percent Change From 1997
Local Property Taxes	$24,208	42.8%	$ (371)	(1.5)%
Local, State, Federal Government	11,281	20.0	997	9.7
Student Tuition and Fees	8,377	14.8	414	5.2
Sales, Service and Auxiliary Revenue	9,045	16.0	495	5.8
Investment Income	3,146	5.6	338	12.0
Other Sources	448	.8	(2,892)	86.6
Total	$56,505	100.0%	$(1,019)	(1.8)%

Revenues for fiscal 1998 totaled $56,505,000, a decrease of $1,019 or 1.8% from revenues for 1997.

The College's main source of revenue is derived from local property taxes which accounted for 42.8% of total revenues compared to 42.7% in 1997. Local, state and federal government revenue increased by $997,000 or 9.7% as a result of higher grant program receipts. Student tuition and fees increased by $414,000 or 5.2% primarily from a modest tuition increase.

Investment income increased by $338,000 or 12.0% mainly from higher investment levels and better interest rates. Other revenue sources decreased by $2.9 million due to retirement of outstanding bond indebtedness in 1996.

The following schedule presents a summary of current funds (Unrestricted and Restricted) expenditures for the fiscal year ended June 30, 1998 and the amount and percentage change in relation to prior year.

Functional Expenditures	Amount (000)	Percent of Total	Change From 1997 (000)	Percent Change From 1997
Instruction	$22,392	43.8%	$1,053	4.9%
Academic Support	3,106	6.1	294	10.5
Student Services	5,250	10.3	268	5.4
Public Service	580	1.1	80	16.0
Operations and Maintenance of Plant	4,623	9.0	533	13.0
Administration and Institutional Support	4,203	8.2	109	2.7
Auxiliary Enterprises	10,993	21.5	1,348	14.0
Retirement of Indebtedness	-	-	(2,925)	(100.0)
Interest on Bonds	-	-	(61)	(100.0)
Total:	$51,147	100%	$699	1.4%

Total expenditures for 1998 were $51,147,000 which was $699,000 or 1.4% higher than 1997. Instruction accounted for 43.8% of total expenditures as compared to 42.3% for 1997. Instruction increased by 4.9% over 1997 mainly from increases in faculty contractual salaries and benefits, contractual services and general materials and supplies. Academic Support increased 10.5% due to increases in Library Acquisitions, Instructional Support, and Television Production. Public Service increased mainly from increases in Performing Arts Center activities. Operations and Maintenance of Plant increased 13% as a result of higher grounds maintenance and utility costs. Auxiliary Enterprises increased by $1.3 million or 14% mainly from a 153% increase in spending on Information Technology costs.

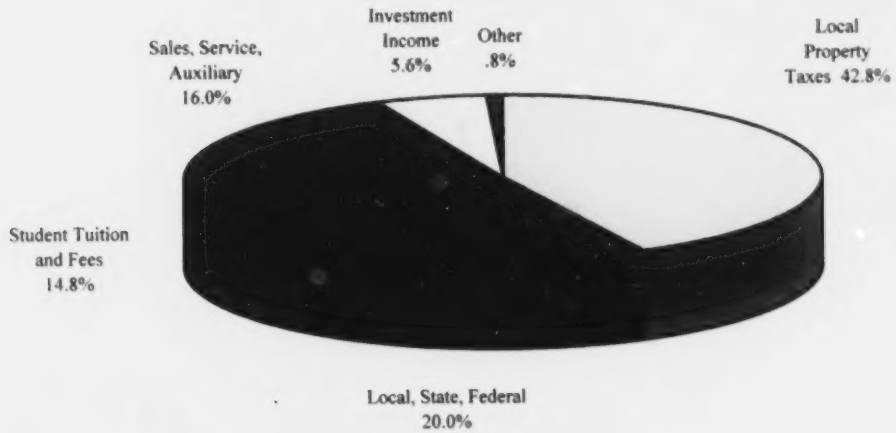
The College's financial performance for 1998 was in line with budget expectations and it met all financial goals.

The following charts give insight into the sources and uses of current fund dollars.

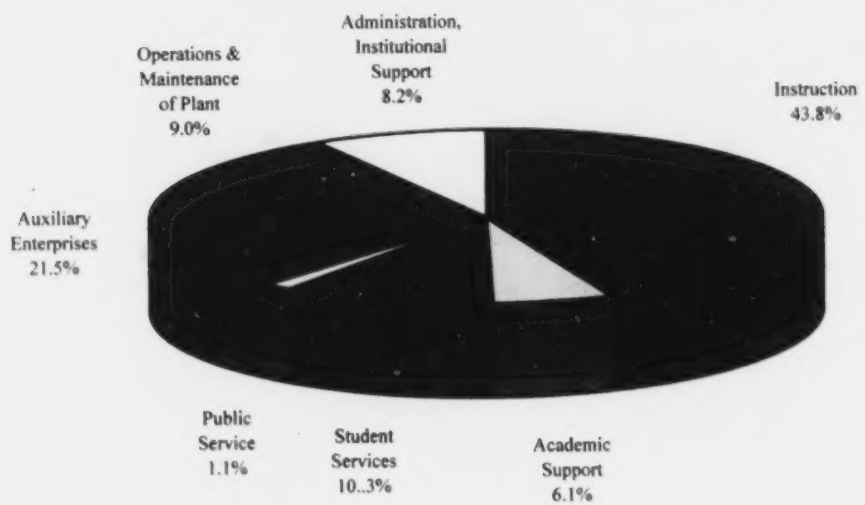
OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

Fiscal Year Ended June 30, 1998

SOURCES OF CURRENT FUNDS REVENUES



USES OF CURRENT FUNDS EXPENDITURES



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Property Taxes:

The following table illustrates the College's property tax levy rates over the last few years.

Levy Rates (Per $100 of assessed valuation):

Fund Type	Max. Auth.	(Estimated) 1997	1996	1995	1994	State Avg. 1996 (1)
Current:						
Education	$.1750	.1723	.1654	$.1590	$.1710	$.1935
Operations and Maintenance	.0500	.0345	.0331	.0348	.0398	.0560
Liability, Protection and Settlement	none	.0044	.0087	.0092	.0099	.0419
Audit	.0050	.0004	.0004	.0004	.0004	.0022
Working Cash (2)	none	-	-	.0287	.0299	.0352
Social Security/Medicare (3)	none	.0018	-	-	-	-
Plant:						
Operations and Maintenance (Restricted) - Life Safety	.0500	-	-	-	-	.0335
Total		.2134	.2076	$.2321	$.2510	$.3623

Estimated assessed value of taxable property for 1997, for taxes collectible in 1998, is $11,615,250,000

The College's average collection rate, including collection of back taxes, over the past five years was 99.2 percent.

(1) For taxes levied in 1996 and collected in 1997 which is latest data available.
(2) Subject to limitation that fund balance does not exceed 75% of operating property tax revenue.
(3) Effective with the 1997 Levy

Fund Balances:

The following table illustrates the changes in Current Unrestricted and Current Restricted Fund Group balances.

	Current Fund Group Balances	
	Unrestricted (000)	Restricted (000)
Beginning Balance, 7/1/97	$37,013	$1,277
Increase for Year	1,868	-
Ending Balance, 6/30/98	$38,881	$1,277

PROSPECTS FOR THE FUTURE

The College's financial outlook for the future continues to be positive, albeit with some caution. As illustrated in an earlier discussion, the College's student and adult continuing education enrollments were relatively stable over the past five years and are expected to continue this trend in the near future.

Public Act 89-1 placed limitations on the annual growth of most local government's (including the College) property tax collections; however, the College has the capacity to meet any revenue shortfall as a result of this cap through increased tuition rates.

The College's capital budget for 1999 is approximately $2.5 million which includes completion of a project to remodel approximately 30,000 square feet for the library, administrative offices for the ALLiance for Lifelong Learning, and Instructional Support Services at the Des Plaines Campus. This project will add 7,000 square feet of new space to these areas and is expected to be completed in the fall of 1998. Other major projects include site redevelopment at the Ray Hartstein Campus, and re-roofing, heating coil replacement, air conditioning overhauls, division offices and staff and student lounge remodeling at the Des Plaines Campus. Funding for these projects will be from accumulated fund balances and in certain cases from Illinois Community College Board capital renewal grants.

DEBT ADMINISTRATION

In 1989, the College purchased its Ray Hartstein Campus building from Niles Township High School District 219 and issued a non-interest bearing Note payable to Niles Township High School District 219 for $4,500,000. Installments of $500,000 are due annually and the note must be repaid over nine years. At June 30, 1998, the balance outstanding on the note was $500,000.

In fiscal 1998, the Board of Trustees of the College authorized transfers of up to $14,500,000 from the Working Cash Fund to the Education Fund for the purpose of meeting ordinary and necessary expenditures. These transfers were outstanding at June 30, 1998 and will be repaid from tax collections within one year.

CASH MANAGEMENT

For the purpose of overall investment of excess funds, the College is governed by the Illinois Public Community College Act, (Chapter 110. of Illinois Compiled Statutes Act 805) and the Illinois Public Funds Investment Act (Chapter 30. of Illinois Compiled Statutes Act 235). The fiduciary responsibility for said investments is entrusted to the College Board of Trustees who have delegated that function to the Treasurer of the College.

In keeping with existing Board policy, all investments of excess funds are made in a prudent, conservative and secure manner and in accordance with the guidelines detailed in the College Investment Policy No. 3292. Designation of depositories of College funds is approved by the Board of Trustees.

In 1998, the College's investments from current funds generated $3,146,436 in investment income. The average investment yield in 1998 increased to 7.40% compared to 6.70% in 1997.

The average rate of return for the Illinois Public Treasurers' Investment Pool was 5.47% in 1998 compared to 5.25% in 1997. As of June 30, 1998 investments were as follows:

Investments:	(000)	%
U.S. Treasury Bonds, Bills and Notes	$10,825	24.6
Illinois Public Treasurers' Investment Pool	15,863	36.0
GNMA Bonds	17,327	39.4
	$44,015	100.0

INVESTMENT IN PLANT

Investment in plant consists of those assets of long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery, and equipment. The notes to financial statements elaborate on the activity for the fiscal year and the status of fixed assets at June 30, 1998. A comparison of Investment in Plant at June 30, 1998 and June 30, 1997 is presented below. The amounts represent actual and estimated original costs of the assets. In accordance with an option for public institutions which follow the AICPA College and University model for financial reporting, depreciation of general fixed assets is recognized in the College's investment in plant fund.

	Cost (000)	Accumulated Depreciation (000)	Net (000)
June 30, 1998	$83,637	$20,548	$63,089
June 30, 1997	79,870	19,565	60,305
Increase	$ 3,767	$ 983	$ 2,784

In 1998, the College disposed of $2.2 million in fully depreciated equipment, microcomputers and library books.

RISK MANAGEMENT

The College participates in the Illinois Community College Risk Management Consortium (the "Consortium") which was established in 1981 by several Chicago area community colleges as a means of reducing the cost of general liability insurance. The Consortium is a public entity risk pool currently operating as a common risk management and insurance program for the member colleges. The main purpose of the Consortium is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophe coverage and aggregate stop-loss reinsurance over the selected retention limit. In 1992, the Consortium added Worker's Compensation coverage. In fiscal 1998 the College paid $349,559 to the Consortium for property, liability and Worker's compensation protection and received $69,787 in dividends due to favorable property and liability expenditures in 1994. Since the Consortium requests initial payments to cover substantially any losses to be incurred for that policy year, the College anticipates no future liabilities for incurred losses.

The College participates in two HMO's and maintains a comprehensive self-insurance plan through a third party administrator as options for employees' health coverage. The College maintains adequate reserves to cover potential losses.

OTHER INFORMATION

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Oakton Community College - Community College District 535 for its comprehensive annual financial report for the fiscal year ended June 30, 1997. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Oakton Community College - Community College District 535 has received the Certificate of Achievement since 1991. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Oakton Community College has also earned GFOA's Award for Distinguished Budget Presentation for its annual budget for the years ending June 30, 1993 through 1997. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan and a communications device.

In addition, Oakton's Popular Annual Financial Report for 1997 and 1996 was awarded GFOA's "Certificate for Outstanding Achievement in Popular Annual Financial Reporting." In order to achieve this award, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. Oakton is one of two institutions of higher education to receive all three of the awards.

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting firm of Arthur Andersen LLP was selected by the College's Board of Trustees. The auditors' report on the financial statements and schedules is included in the financial section of this report.

Acknowledgments. The timely preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,
David E. Hilquist
Vice President for Business and Finance

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

PRINCIPAL OFFICIALS

Year Ended June 30, 1998

BOARD OF TRUSTEES

	Position	Term Expires
Joan B. Hall	Chairman	2003
Jody Wadhwa	Vice Chairman	1999
Ray Hartstein	Secretary	2001
Larry Golberg	Trustee	2001
Maxine T. Hill	Trustee	2001
Jeanne Kriechbaum	Trustee	2003
Amilda B. Mader	Trustee	1999
Marjorie Whitman	Student Trustee	1998

OFFICERS OF THE COLLEGE

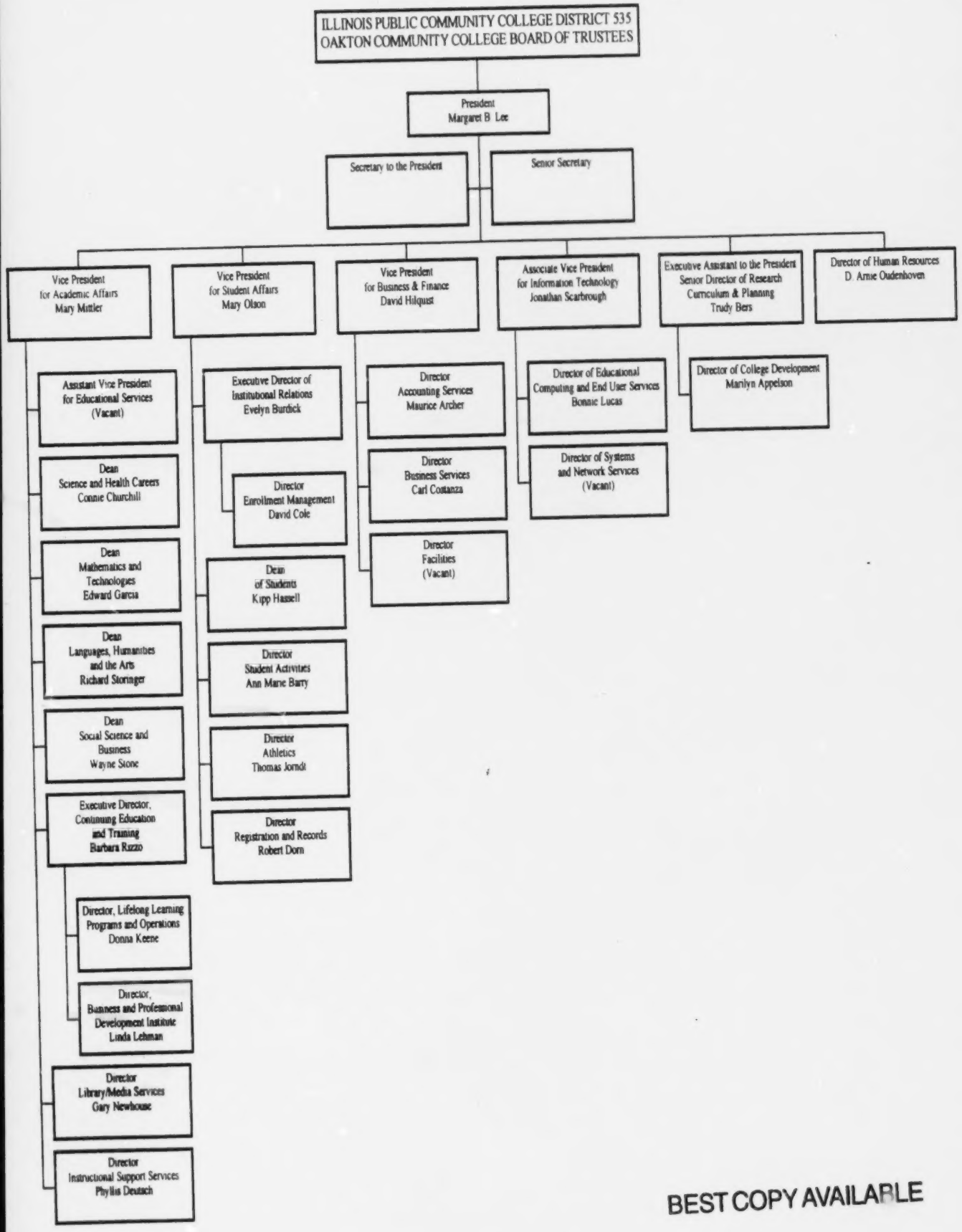
Margaret B. Lee	President
David E. Hilquist	Vice President for Business and Finance
Mary L. Mittler	Vice President for Academic Affairs
Mary A. Olson	Vice President for Student Affairs

OFFICIALS ISSUING REPORT

David E. Hilquist	Vice President for Business and Finance
Maurice Archer	Director, Accounting Services

DIVISION ISSUING REPORT

Business and Finance



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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Oakton Community College Community College District 535, Illinois

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 1997

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Douglas R Ellsworth
President

Jeffrey L. Esser
Executive Director

Financial Section

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ARTHUR ANDERSEN LLP

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Trustees,
Oakton Community College,
Community College District No. 535,
Des Plaines, Illinois 60016:

We have audited the accompanying balance sheet-all fund types of Oakton Community College-Community College District No. 535 (the College) as of June 30, 1998, and the related statements of changes in fund balances-all fund types and current funds revenues, expenditures and other changes for the year then ended. These financial statements and the supplementary information referred to below are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements and the supplementary information based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the guidelines of the Illinois Community College Board *Fiscal Management Manual* and the standards applicable to financial audits contained in the *Government Auditing Standards* (1994 Revision), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oakton Community College-Community College District No. 535 as of June 30, 1998, and the changes in fund balances and the current funds revenues, expenditures and other changes for the year then ended, in conformity with generally accepted accounting principles.

As explained in Note 1G in the Notes to Financial Statements, the College has given retroactive effect to the change in accounting for investments.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary financial information included in Schedules 1 through 4 and Schedules 5 and 6 in the Special Reports Section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. The statistical information included in Tables A through M has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 1998, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Chicago, Illinois,
September 11, 1998

OAKTON COMMUNITY COLLEGE

Community College District No. 535

Notes

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

BALANCE SHEET-ALL FUND TYPES

June 30, 1998 with Comparative Totals at June 30, 1997

	Current Funds		Agency	Loan	Plant Funds: Operations and Maintenance	Plant Funds: Investment	(Memorandum Only) June 30, 1998	(Memorandum Only) June 30, 1997
	Unrestricted	Restricted	Fund	Fund	(Restricted)	in Plant	Total	Total
ASSETS								
Cash and cash equivalents	$4,082,926	$451,884	$358,379	$15,514	$125,221	$ -	$5,033,924	$2,433,157
Equity in pooled investments	39,682,163	1,043,016	71,185	-	3,218,904	-	44,015,268	45,009,185
Receivables:								
Property taxes	13,400,779	-	-	-	-	-	13,400,779	10,449,784
Personal property replacement tax	149,325	-	-	-	-	-	149,325	155,368
Government contracts	-	292,014	-	-	-	-	292,014	349,889
Accrued interest	185,288	6,692	849	-	16,599	-	209,428	416,346
Student loans, net of allowance for uncollectible loans of $22,959	-	-	-	142,384	-	-	142,384	170,083
Other	411,000	286	5,308	-	-	-	416,594	408,964
Total receivables	14,146,392	298,992	6,157	142,384	16,599	-	14,610,524	11,950,434
Inventory	523,830	-	-	-	-	-	523,830	599,263
Prepaid expenditures	1,374,287	584	-	-	500,000	-	1,874,871	1,857,063
Fixed assets	-	-	-	-	-	83,637,284	83,637,284	79,870,167
Less allowance for accumulated depreciation	-	-	-	-	-	(20,547,744)	(20,547,744)	(19,565,271)
Total assets	$59,809,598	$1,794,476	$435,721	$157,898	$3,860,724	$63,089,540	$129,147,957	$122,153,998
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$1,544,999	$313,174	$71,512	$ -	$778,764	$ -	$2,708,449	$2,404,810
Accrued salaries	711,321	5,273	-	-	985	-	717,579	650,471
Accrued compensated absences	429,000	-	-	-	-	-	429,000	399,000
Other accrued liabilities	3,168,778	-	-	-	-	-	3,168,778	3,667,189
Deposits held in custody for others	-	-	364,209	-	-	-	364,209	395,988
Note payable	-	-	-	-	-	500,000	500,000	1,000,000
Deferred tuition and fees revenue	1,673,101	-	-	-	-	-	1,673,101	1,647,026
Deferred property tax revenue	13,400,779	-	-	-	-	-	13,400,779	12,002,275
Other deferred revenue	-	198,990	-	-	-	-	198,990	435,619
Total liabilities	20,927,978	517,437	435,721	-	779,749	500,000	23,160,885	21,602,378
Fund Balances:								
Net investment in plant	-	-	-	-	-	62,589,540	62,589,540	59,304,896
U.S. Government refundable	-	-	-	145,751	-	-	145,751	183,133
Reserved for external restrictions	-	1,277,039	-	12,147	3,080,974	-	4,370,160	3,962,321
Unreserved	38,881,620	-	-	-	-	-	38,881,620	37,101,270
Total fund balances	38,881,620	1,277,039	-	157,898	3,080,974	62,589,540	105,987,071	100,551,620
Total liabilities and fund balances	$59,809,598	$1,794,476	$435,721	$157,898	$3,860,723	$63,089,540	$129,147,956	$122,153,998

See notes to financial statements.

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
STATEMENT OF CHANGES IN FUND BALANCES-ALL FUND TYPES
Fiscal Year Ended June 30, 1998
with Comparative Totals for Fiscal Year Ended June 30, 1997

	Current Funds		Loan	Plant Funds: Operations and Maintenance	Plant Funds: Investment	(Memorandum Only)	
	Unrestricted	Restricted	Fund	(Restricted)	in Plant	June 30, 1998 Total	June 30, 1997 Total
Revenues:							
Property taxes	$24,208,118	$ -	$ -	$ -	$ -	$24,208,118	$24,578,899
Personal property replacement tax	705,464	-	-	-	-	705,464	689,541
Federal grants and contracts	-	1,650,898	-	-	-	1,650,898	1,849,204
State grants and contracts	4,912,440	3,530,837	-	-	-	8,443,277	7,553,727
Local grants and contracts	-	399,536	-	-	-	399,536	117,015
Chargeback revenue	82,670	-	-	-	-	82,670	74,106
Student tuition, fees and organizations	8,377,177	-	-	-	-	8,377,177	7,962,616
Sales and services fees	22,797	-	-	-	-	22,797	8,828
Auxiliary revenue	9,021,778	-	-	-	-	9,021,778	8,541,462
Expended for plant facilities:							
From current funds	-	-	-	-	3,493,852	3,493,852	2,023,091
From plant funds	-	-	-	-	2,503,235	2,503,235	2,427,093
Retirement of indebtedness	-	-	-	-	500,000	500,000	3,425,000
Investment income earned	3,073,545	72,891	5,468	135,445	-	3,287,349	3,008,175
Other sources	51,262	395,857	535	108,700	-	556,354	461,587
Total revenues	50,455,251	6,050,019	6,003	244,145	6,497,087	63,252,505	62,720,344
Expenditures:							
Educational and general expenditures	34,104,169	6,050,019	42,857	-	-	40,197,045	37,896,893
Auxiliary enterprises	10,992,979	-	-	-	-	10,992,979	9,645,299
Expended for plant facilities:							
Site improvements and remodeling	-	-	-	1,987,124	-	1,987,124	1,506,415
New construction	-	-	-	520,199	-	520,199	926,376
Expenditures not capitalized	-	-	-	407,264	-	407,264	478,779
Retirement of indebtedness	-	-	-	500,000	-	500,000	3,425,000
Interest on bonds	-	-	-	-	-	-	60,938
Depreciation	-	-	-	-	2,989,095	2,989,095	2,784,941
Net from disposal of fixed assets	-	-	-	-	223,348	223,348	12,521
Total expenditures	45,097,148	6,050,019	42,857	3,414,587	3,212,443	57,817,054	56,737,162
Non-mandatory transfers	(3,489,965)	-	-	3,489,965	-	-	-
Net increase (decrease) in fund balances	1,868,138	-	(36,854)	319,523	3,284,644	5,435,451	5,983,182
Fund balances:							
Beginning of year	37,013,482	1,277,039	194,752	2,761,451	59,304,896	100,551,620	93,689,896
Cumulative effect of change in accounting principle (Note. 1 G)	-	-	-	-	-	-	878,542
End of year	$38,881,620	$1,277,039	$157,898	$3,080,974	$62,589,540	$105,987,071	$100,551,620

See notes to financial statements.

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
For the Fiscal Year Ended June 30, 1998
With Comparative Totals for the Fiscal Year Ended June 30, 1997

			(Memorandum Only)	
	Unrestricted	Restricted	June 30, 1998 Total	June 30, 1997 Total
Revenues:				
Property taxes	$24,208,118	$ -	$24,208,118	$24,578,899
Personal property replacement tax	705,464	-	705,464	689,541
Federal grants and contracts	-	1,650,898	1,650,898	1,849,204
State grants and contracts	4,912,440	3,530,837	8,443,277	7,553,727
Local grants and contracts	-	399,536	399,536	117,015
Chargeback revenue	82,670	-	82,670	74,106
Student tuition and fees	8,377,177	-	8,377,177	7,962,616
Sales and service fees	22,797	-	22,797	8,828
Auxiliary enterprises	9,021,778	-	9,021,778	8,541,462
Retirement of indebtedness	-	-	-	2,925,000
Investment income earned	3,073,545	72,891	3,146,436	2,808,434
Other sources	51,262	395,857	447,119	414,676
Total Revenue	50,455,251	6,050,019	56,505,270	57,523,508
Expenditures:				
Instruction	19,069,258	3,323,020	22,392,278	21,338,510
Academic support	2,693,260	412,347	3,105,607	2,812,096
Student services	3,989,795	1,260,095	5,249,890	4,982,336
Public service	376,354	203,773	580,127	500,217
Operations and maintenance of plant	4,244,229	379,101	4,623,330	4,090,419
General adminstration	2,282,083	-	2,282,083	2,324,591
Institutional support	1,449,190	471,683	1,920,873	1,768,926
Auxiliary enterprises	10,992,979	-	10,992,979	9,645,299
Retirement of indebtedness	-	-	-	2,925,000
Interest on bonds	-	-	-	60,938
Total Expenditures	45,097,148	6,050,019	51,147,167	50,448,332
Non-mandatory transfers	(3,489,965)	-	(3,489,965)	(2,900,000)
Net increase in fund balance	$1,868,138	$ -	$1,868,138	$4,175,176

See notes to financial statements.

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Oakton Community College, Community College District No. 535 (College) established in 1969 under the Illinois Public Community College Act, provides baccalaureate, vocational, and continuing education courses to a five-township area located directly north and northwest of Chicago, Illinois. The Board of Trustees is the College's ruling body which establishes the policies and procedures by which the College is governed.

ALLiance for Lifelong Learning (ALLiance) is a consortium of the College and three high school districts located within the geographical boundaries of the College district. ALLiance provides a comprehensive program of adult and continuing education to the community. The College is fiscally responsible for the program and assumes responsibility for ALLiance's operations, which the College accounts for in the Auxiliary Enterprises Fund. The College appoints one half of the representatives on ALLiance's Board of Trustees and the other half is appointed by the three high schools.

The accounting policies of the College conform to generally accepted accounting principles as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). When applicable, certain prior year amounts have been restated to conform to current year presentation. The following is a summary of the more significant policies:

A. Reporting Entity

As defined by Government Accounting Standards Board's (GASB), Governmental Accounting Standards Series Statement No. 14, the College is not financially accountable for any other entity other than ALLiance mentioned above, nor are there any other entities for which the nature and significance of their relationship with the College are such that exclusion would cause the College's financial statements to be misleading or incomplete.

In addition, based upon the above criteria, the College is not aware of any entity which would be financially accountable for the College which would result in the College being considered a component of the entity.

B. Basis of Accounting

The financial statements of the College have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenditures are recorded when they have been reduced to a legal or contractual obligation to pay, except for property tax revenue recognition and the deferral of certain revenues and expenditures as explained in Notes 1E and 1I, respectively.

NOTES TO FINANCIAL STATEMENTS

The College maintains an encumbrance system for tracking outstanding purchase orders and other commitments for materials or services not received during the year. Encumbrances at year-end were approximately $102,000 which represent the estimated amount of expenditures ultimately to result if unperformed contracts in process at June 30, 1998 are completed. Encumbrances outstanding at June 30, 1998 do not constitute expenditures or liabilities and are not reflected in these financial statements. Encumbered appropriations expire at year-end but are typically renewed in the next fiscal year.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

The statement of current funds revenues, expenditures, and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as expenditures, as in the case of movable equipment and library books.

C. Fund Accounting

The accounts of the College are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. The College maintains individual funds as required by the ICCB. The various funds are summarized by type in these financial statements according to the American Institute of Certified Public Accountants (AICPA) Industry Audit Guide, Audits of Colleges and Universities, as amended by AICPA Statement Position (SOP) 74-8, Financial Accounting and Reporting by Colleges and Universities, and as modified by applicable Financial Accounting Standards Board (FASB) pronouncements issued through November 30, 1989, and as modified by all applicable GASB pronouncements cited in Codification Section Co5, "Colleges and Universities" (AICPA College and University model). In 1998, certain funds were reclassified from Restricted to Unrestricted. The following fund types are used by the College:

NOTES TO FINANCIAL STATEMENTS

Current Funds

Current Funds are those through which most educational functions of the College are financed. The acquisition, use, and balances of the College's expendable financial resources and the related liabilities are accounted for through current funds. The measurement focus is upon the determination of changes in financial position, rather than upon net income determination. The following are the College's current fund types:

Current Unrestricted Funds -- The Current Unrestricted Funds which consist of the Education, Operations and Maintenance, Auxiliary Enterprises, Audit, Liability/Protection/Settlement, Working Cash Bond Retirement and Working Cash Funds are the general operating funds of the College. They are used to account for all financial resources except those required to be accounted for in another fund. The Auxiliary Enterprises Fund consists primarily of the operations of the College's bookstore, computer services, Instructional Technology Administration, the Institute for Business and Professional Development, athletics, child care, printing services and ALLiance for Lifelong Learning.

Current Restricted Fund -- Current Restricted Fund include the Restricted Purposes Fund which is used to account for the proceeds of specific revenue sources (other than those accounted for in the Plant Funds) that are legally restricted to expenditures for specified purposes.

Agency Fund -- Agency Fund is used to receive and hold funds when the College serves as a custodian or fiscal agent for another body.

Plant Funds

Plant Funds consist of the following:

a. Operations and Maintenance Fund (Restricted) -- This Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues and expenditures designated for Life Safety purposes, including capital expenditures, are also accounted for in this fund.

b. Investment in Plant -- This Fund is established to account for all fixed assets and related long-term debt of the College.

D. Budgets

Budgets are prepared on the same basis of accounting as that used in the financial statements. A budget for the Investment in Plant Fund is not adopted. Capital expenditures are budgeted for fixed asset purchases in the funds where they will be applied.

The legal budget is the same as the operating budget in total. For each fund, total expenditures may not exceed the budgeted expenditures without approval of the Board of Trustees. The budget lapses at the end of each fiscal year.

Estimated revenues and recommended expenditures by fund are shown and supported by detailed documentation at each administrative level within the College. The budgeting process begins in November for the following fiscal year's operations. A tentative budget is presented to the Board of Trustees at a May Board meeting and approved for public display not less than 30 days prior to the date of public hearing and adoption. A public hearing on the tentative budget occurs at the June Board meeting. Comments from the audience are addressed at this time. The Board of Trustees adopts the legal budget at the June meeting.

Transfers of budgeted amounts between programs within any fund are approved by the Board of Trustees. All transfers cannot exceed ten percent of the total of such fund as set forth in the budget. The Board of Trustees also may amend the budget by using the same procedure as the original adoption. Budget amounts presented in the financial statements reflect approved transfers. There were no supplemental appropriations necessary during the fiscal year.

E. Property Taxes

The College's property taxes are levied each calendar year on all taxable real property located in the District. In accordance with generally accepted accounting principles for governmental funds, property taxes which are due within the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. Property taxes collected in advance of the year to which they apply are recorded as deferred revenue.

The personal property replacement tax is recorded on the same basis as the property taxes.

The County Assessor is responsible for assessment of all taxable real property within Cook County except for certain railroad property which is assessed directly by the State. Reassessment is on a three-year schedule established by the Assessor.

The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to each unit its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year generally on March 1st and August 30th.

However, the second payment for the 1997 levy will not be due until approximately mid-October 1998. The first installment is an estimated bill, and is approximately one-half of the prior year's tax bill. The second installment is based on the current levy, assessment, equalization, and certificate to limit levy, if any, and any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December for the following collection year. The levy becomes an enforceable lien against the property as of January 1, immediately following the levy year. Public Act 89-1 placed limitations on the annual growth of most local government's property tax collections. Currently, the limitation is five percent, or the rate of inflation, which ever is less. In 1997, the College's overall tax rate was limited to 2.5 percent plus an allowance for new property.

The Statutory maximum tax rates and the respective rates for the December 31, 1997 tax levy, per $100 of assessed valuation are as follows:

	Statutory Maximum Rate	(Estimated) Rate
Current:		
Education	$.1750	$.1723
Operations and Maintenance	.0500	.0345
Liability, Protection and Settlement	none	.0044
Audit	.0050	.0004
Social Security/Medicare	none	.0018
Plant:		
Operations and Maintenance (Restricted) - Life Safety	.0500	-
Total	$ -	$.2134

F. Fixed Assets--Investment in Plant

Fixed assets, including library books, are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts and are recorded in the Investment in Plant Fund. Purchases of fixed assets are recorded as expenditures of the various funds. A provision for depreciation is not required but is permitted by generally accepted accounting principles as applicable to colleges and universities subject to GASB jurisdiction that follow the 1994 AICPA College and University model for financial reporting. The College records depreciation in the Investment in Plant Fund. Depreciation is computed using the straight-line method.

NOTES TO FINANCIAL STATEMENTS

G. Investments

In fiscal year 1998, the College adopted GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." This standard requires entities to report their investments at fair value in their annual financial statements. Whenever possible, quoted market prices were used to develop fair values. Fair values for the U.S. Government Securities and Agency Securities were provided by the investment custodian. The financial statements of prior years have been restated to apply the new statement retroactively. The cumulative effect of one change in accounting principle as of July 1, 1996 was $878,542. The effect of the accounting change in fiscal years 1998 and 1997 was to increase investment income earned by $251,465 for 1998 and a reduction of $71,492 for 1997. The July 1, 1997, fund balances have been adjusted for the effect of applying retroactively the new accounting standard.

H. Inventories

Inventories consist primarily of prepaid postage and items held for resale by the bookstore and are stated at the lower of cost (principally average) or market. The cost is recorded as an expenditure as the inventory is consumed.

I. Deferred Tuition and Fee Revenue and Expenditures

Tuition and fee revenue received and related expenditures incurred prior to June 30, 1998 and directly related to 1998 summer session have been deferred. Summer session revenues and expenditures are reported in the year in which the session is predominantly conducted.

J. Allocation of Unrestricted Revenues other than Property Taxes

In accordance with the *ICCB Fiscal Management Manual*, the Board of Trustees may make a determination within the budget for the distribution of unrestricted revenues other than property taxes between the Education and the Operations and Maintenance Funds. During the fiscal year ended June 30, 1998, $772,226 of such revenues was allocated to the Operation and Maintenance Fund for operations and maintenance of facilities.

K. Federal Financial Assistance Programs

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, Federal Family Education Loans and Perkins Loans programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Revised Circular A-133 Audit of States, Local Governments and Non-Profit Organizations, and the Compliance Supplement.

L. On-Behalf Payments for Fringe Benefits and Salaries

The College recognizes revenues and expenditures in the Restricted Purposes Fund as contributions made by the State of Illinois to the State Universities Retirement System on behalf of the College's employees. In 1998, the State made $2,271,431 of such contributions. (See Note 8).

M. Memorandum Only-Total Column

The total column on certain financial statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation.

N. Comparative Data

Comparative total data for the prior year is presented in certain financial statements in order to provide an understanding of changes in the College's financial operations. Comparative data is not presented in all statements because its inclusion would make certain statements unduly complex. When applicable, certain prior year amounts have been restated to conform to current year presentation.

2. CASH AND INVESTMENTS

The Illinois Public Community College Act and the Illinois Investment of the Public Funds Act allow funds belonging to the College, including restricted and unrestricted funds, to be invested. College policy delegates this authority to the Treasurer of the Board of Trustees.

Funds may be invested in the following types of securities within certain limitations: United States Government securities, securities backed by the full faith and credit of the United States, bank certificates of deposit, commercial paper, money market mutual funds, savings and loan securities, Public Treasurers' Investment Pool, and repurchase agreements.

Deposits: At year-end, the carrying amount of the College's deposits was $5,022,074 which excludes $11,850 maintained for cashier's change funds and a small petty cash fund at the College. Actual bank statement balances totaled $6,467,180. The difference primarily represents checks which have not cleared the bank as of June 30, 1998.

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

NOTES TO FINANCIAL STATEMENTS

The College's bank balances at year-end are classified below in the following three categories of credit risk: (1) Insured or collateralized with securities held by the College or by its agent in the College's name. (2) Collateralized with securities held by the pledging financial institutions trust department or agent in the College's name. (3) Uncollateralized, including any bank balance that is collateralized with the securities held by the pledging financial institution, or by its trust department or agent but not in the College's name.

	Category			Bank
	1	2	3	Balance
Cash	$745,741	$5,721,439	$ -	$6,467,180

Investments: The College's investments, at year end, are categorized as follows: Category 1 -- insured or registered, or securities held by the College or its agent in the College's name; Category 2 --uninsured and unregistered, with securities held by counterparty's financial institution's trust department in the College's name; and Category 3 -- uninsured and unregistered, with securities held by counterparty's financial institution's trust department but not in the College's name.

	Category			
	1	2	3	Total
U.S. Government Securities	$10,825,000	$ -	$ -	$10,825,000
U.S. Government Agency Securities	17,327,574			17,327,574
Total	$28,152,574	$ -	$ -	$28,152,574
Investment in Illinois Treasurers' Pool				$15,862,694
Total Investments				$44,015,268

In order to maximize investment earnings, the funds' investments are commingled.

3. FIXED ASSETS

The following table presents the changes in the various fixed asset categories.

	Balance June 30, 1997	Additions	Disposals	Balance June 30, 1998
Land and improvements	$ 11,216,883	$ 93,887	$ -	$ 11,310,770
Buildings	53,699,640	1,948,052	(20,000)	55,627,692
Equipment	9,780,497	1,211,878	(1,012,136)	9,980,239
Library books	1,716,067	81,260	(24,593)	1,772,734
Microcomputers	3,457,080	2,662,010	(1,173,241)	4,945,849
Total cost	79,870,167	5,997,087	(2,229,970)	83,637,284
Less accumulated depreciation	(19,565,271)	(2,989,095)	2,006,622	(20,547,744)
Net fixed assets	$60,304,896	$3,007,992	($223,348)	$63,089,540

The current year provision for depreciation of $2,989,095 is not considered an expenditure of the current funds; therefore, the provision for depreciation has not been reported in the statement of current funds revenues, expenditures, and other changes for the year ended June 30, 1998. In 1998, the College disposed of approximately $2.2 million in fully depreciated equipment, microcomputers and library books.

The following estimated useful lives are used to compute depreciation:

Buildings	50 years
Library Books	15 years
Land Improvements	8 years
Equipment	8 years
Microcomputers	4 years

4. CAPITAL NEEDS

The College's capital improvement budget for 1999 is approximately $2.5 million which includes completion of a project to remodel the Library and the administrative offices of ALLiance for Lifelong Learning and Instructional Support Services at the Des Plaines Campus. This project involves approximately 30,000 square feet and will add 7,000 square feet of new space to these areas and is expected to be completed in the fall of 1998. Other major projects include site redevelopment at the Ray Hartstein Campus, re-roofing, heating coil replacement, air conditioning overhauls, division offices and staff and student lounge remodeling at the Des Plaines Campus. Funding for these projects will be from accumulated fund balances and in certain cases from Illinois Community College Board capital renewal grants.

Since June 1996, the College spent approximately $5.6 million on technology and "Year 2000" related projects and has commitments of another $3.5 million for the next two years for these related areas.

5. COMPENSATED ABSENCES

As of June 30, 1998, employees had earned but not taken annual vacation leave of approximately $429,000. The College has accrued this amount in the Education Fund.

The College has no commitment for accumulated sick leave and no liability is recorded. Employees who retire are given credit for unused sick leave towards years of service in the State Universities Retirement System pension plan.

6. LONG TERM DEBT

The College has an outstanding balance of $500,000 on a note issued for $4,500,000 dated November 1, 1989 for the purchase of the former Niles East High School site and buildings. The note is payable on July 1, 1998 and is non-interest bearing.

The College has recorded the note in the Investment in Plant Fund and expects to repay the note from the Operations and Maintenance Fund (Restricted).

7. POST EMPLOYMENT AND RELATED BENEFITS

For certain former employees, the College provides retirement health benefits up to $100 per month per employee to be invested in a health care plan of the employee's choosing other than the College's self insurance plan. Qualifying individuals receive benefits under the plan for a maximum of five years. As of June 30, 1998, there were 35 former employees receiving benefits under this plan. The State of Illinois authorized post-retirement health coverage in excess of these amounts for the fiscal year 1998. During fiscal year 1998 expenditures of $68,972 were made from state grants.

The College has offered an early retirement program to certain employees since 1986. Provisions of the current contract with the Oakton Community College Faculty Association allow up to 15 faculty members to retire per year between 1998 and 2002 and receive, as an incentive to retire, approximately 80 percent of their base pay. If faculty members take full advantage of this plan, the College would incur costs of approximately $3.5 million. As of June 30, 1998, the College has recorded a liability of approximately $1.4 million for these early retirement programs.

8. PENSION PLAN

Plan Description. The College's employees participate in the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer pension plan, offering defined benefit and defined contribution options with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of the state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to SURS, 1901 Fox Drive, Champaign, IL 61820 or by calling 1-800-275-7877.

Funding Policy. The College's employees who participate (plan members) are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate is 8.582% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly. The employer contributions made by the State of Illinois on behalf of the College to SURS for the years ending June 30, 1998, 1997, and 1996 were $2,271,431 and $1,818,889 and $1,424,568 respectively, and are substantially equal to the required contributions for each year.

9. EXPENDITURES IN EXCESS OF BUDGET

All funds were within budget at June 30, 1998.

10. INTERFUND RECEIVABLE AND PAYABLE BALANCES

With Board of Trustees authorization, the College Treasurer may make interfund loans providing each loan is repaid to the proper fund within one year. This requirement does not apply to Working Cash Fund transfers. Working Cash Fund transfers are not considered interfund loans, but rather temporary transfers subject to special repayment considerations in anticipation of specific revenues, e.g., taxes and state grants. At June 30, 1998, $14,500,000 of such transfers were outstanding in the Education Fund.

11. CONTINGENCIES AND COMMITMENTS

There are no material claims against the College which are not covered by insurance or whose settlement would materially affect the financial statements at June 30, 1998. The College's capital budget for 1999 is approximately $2.5 million, of which about twenty percent was committed at June 30, 1998.

12. RISK MANAGEMENT

The College participates in the Illinois Community College Risk Management Consortium (the "Consortium") which was established in 1981 by several Chicago area community colleges as a means of reducing the cost of general liability insurance. The Consortium is a public entity risk pool currently operating as a common risk management and insurance program for the member colleges. The main purpose of the Consortium is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophe coverage and aggregate stop-loss reinsurance over the selected retention limit. Coverages include all property and $16,000,000 for liability. No settlement exceeded coverage since establishment of the Consortium. In 1992, the Consortium added statutory Worker's Compensation. In fiscal 1998 the College paid $349,559 to the Consortium for property, liability and worker's compensation protection and received $69,787 in dividends due to favorable property and liability expenditures in 1994. Since the Consortium requests initial payments to cover substantially any losses to be incurred for that policy year, the College anticipates no future liabilities for incurred losses. The College's level of coverages have not changed for the past year.

The College also maintains a comprehensive self-insurance plan through a third party administrator, as an option, for its employees' health coverage. The College also maintains adequate reserves to cover potential losses.

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

SUPPLEMENTAL FINANCIAL INFORMATION

June 30, 1998

CURRENT UNRESTRICTED FUNDS

To account for resources traditionally associated with College operations which are not required to be accounted for in another fund, the College maintains the following funds:

Education -- to account for most of the instructional and administrative aspects of the College's operations.

Operations and Maintenance -- to account for repair and maintenance of College property and rent and insurance of facilities.

Auxiliary Enterprises -- to account for operations of the bookstore, computer services, Instructional Technology Administration, the Institute for Business and Professional Development, athletics, child care, printing services, and ALLiance for Lifelong Learning.

Working Cash Bond Retirement -- to account for Working Cash Bond Tax Levy proceeds, payment of principal, interest and related charges to Working Cash Bonds.

Working Cash -- to provide cash reserves for temporary financing of College operations.

Audit -- to account for audit levy proceeds and expenses.

Liability, Protection, and Settlement -- to account for tort liability, property insurance, Medicare insurance, FICA taxes, unemployment insurance and Worker's Compensation levies and expenses.

SCHEDULE 1

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

COMBINING BALANCE SHEET-CURRENT UNRESTRICTED FUNDS

June 30, 1998

	Education Fund	Operation and Maintenance Fund	Auxiliary Enterprises Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
ASSETS							
Cash and cash equivalents	$2,361,841	$899,618	$461,416	$ -	$82,348	$277,703	$4,082,926
Equity in pooled investments	28,672,445	8,924,282	616,435	-	6,678	1,462,323	39,682,163
Due from (to) other funds	(14,500,000)	-	-	14,500,000	-	-	-
Receivables:				-			
Property taxes	10,935,250	2,196,894	-	-	24,716	243,919	13,400,779
Personal property replacement tax	149,325	-	-	-	-	-	149,325
Accrued interest	134,600	38,522	4,991	-	222	6,953	185,288
Other	96,467	-	314,533	-			411,000
Total Receivables	11,315,642	2,235,416	319,524	-	24,938	250,872	14,146,392
Inventory	93,169	-	430,661	-	-	-	523,830
Prepaid expenditures	1,057,511	-	35,654	-	1,350	279,772	1,374,287
Total Assets	$29,000,608	$12,059,316	$1,863,690	$14,500,000	$115,314	$2,270,670	$59,809,598
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$524,723	$193,534	$510,458	$ -	$1,349	$314,935	$1,544,999
Accrued salaries	2,086,481	13,886	36,495	-	-	6,237	2,143,099
Accrued compensated absences	429,000	-	-	-	-	-	429,000
Other accrued liabilities	1,737,000	-	-	-	-	-	1,737,000
Deferred revenues:							
Tuition and fees	1,427,624	-	245,477	-	-	-	1,673,101
Property taxes	10,935,250	2,196,894	-	-	24,716	243,919	13,400,779
Total Liabilities	17,140,078	2,404,314	792,430	-	26,065	565,091	20,927,978
Fund Balances:							
Unreserved	11,860,530	9,655,002	1,071,260	14,500,000	89,249	1,705,579	38,881,620
Total Liabilities and Fund Balances	$29,000,608	$12,059,316	$1,863,690	$14,500,000	$115,314	$2,270,670	$59,809,598

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-CURRENT UNRESTRICTED FUNDS
ACTUAL AND BUDGET
Fiscal Year Ended June 30, 1998

	Education Fund Actual	Operation and Maintenance Fund Actual	Auxiliary Enterprises Fund Actual	Working Cash Bond Retirement Fund Actual	Working Cash Fund Actual	Audit Fund Actual	Liability, Protection and Settlement Fund Actual	Total Current Unrestricted Funds Actual	Total Current Unrestricted Funds Budget
Revenues:									
Property taxes	$18,973,619	$3,908,620	$ -	($1,596)	$ -	$46,837	$1,280,638	$24,208,118	$23,999,550
Personal property replacement tax	705,464	-	-	-	-	-	-	705,464	500,000
State grants and contracts	4,912,440	-	-	-	-	-	-	4,912,440	4,886,500
Chargeback revenue	82,670	-	-	-	-	-	-	82,670	80,000
Student tuition and fees	8,377,177	-	-	-	-	-	-	8,377,177	8,228,000
Sales and service fees	22,797	-	-	-	-	-	-	22,797	10,000
Auxiliary revenue	-	-	9,021,778	-	-	-	-	9,021,778	9,473,266
Investment income earned	2,125,424	772,227	-	66,734	-	3,812	105,348	3,073,545	2,250,000
Other sources	51,262	-	-	-	-	-	-	51,262	318,500
Total revenues	35,250,853	4,680,847	9,021,778	65,138	-	50,649	1,385,986	50,455,251	49,745,816
Expenditures:									
Instruction	19,069,258	-	-	-	-	-	-	19,069,258	20,036,064
Academic support	2,693,260	-	-	-	-	-	-	2,693,260	2,857,464
Student services	3,989,795	-	-	-	-	-	-	3,989,795	4,232,342
Public service	376,354	-	-	-	-	-	-	376,354	504,038
Operations and maintenance of plant	-	3,657,029	-	-	-	-	587,200	4,244,229	4,479,205
General administration	2,282,083	-	-	-	-	-	-	2,282,083	2,475,567
Institutional support	829,854	-	-	-	-	45,327	574,009	1,449,190	1,833,120
Auxiliary enterprises	-	-	10,992,979	-	-	-	-	10,992,979	11,802,934
Total expenditures	29,240,604	3,657,029	10,992,979	-	-	45,327	1,161,209	45,097,148	48,220,734
Non-mandatory transfers	(1,172,000)	(2,450,000)	1,172,000	(1,039,965)	-	-	-	(3,489,965)	(2,450,000)
Excess (deficiency) of revenues over expenditures and transfers	4,838,249	(1,426,182)	(799,201)	(974,827)	-	5,322	224,777	1,868,138	(924,918)
Fund balance beginning of year	7,022,281	11,081,184	1,870,461	974,827	14,500,000	83,927	1,480,802	37,013,482	37,013,482
Fund balance end of year	$11,860,530	$9,655,002	$1,071,260	$ -	$14,500,000	$89,249	$1,705,579	$38,881,620	$36,088,564

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SCHEDULE 3

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-CURRENT RESTRICTED FUND ACTUAL AND BUDGET

Fiscal Year Ended June 30, 1998

	Actual	Budget
Revenues:		
Federal grants and contracts	$1,650,898	$2,057,576
State grants and contracts	3,530,837	3,444,910
Local grants and contracts	399,536	588,526
Investment income earned	72,891	-
Other sources	395,857	644,052
Total Revenues	6,050,019	6,735,064
Expenditures:		
Instruction	3,323,020	3,569,134
Academic support	412,347	429,708
Student services	1,260,095	1,481,816
Public services	203,773	187,955
Operation and maintenance of plant	379,101	662,485
Institutional support	471,683	403,966
Total Expenditures	6,050,019	6,735,064
Excess (deficiency) of revenues over expenditures and transfers	-	-
Fund balance beginning of year	1,277,039	1,277,039
Fund balance end of year	$1,277,039	$1,277,039

The Current Restricted Fund is used to account for the proceeds of specific revenue sources (other than those accounted for in the Plant Funds) that are legally or otherwise restricted to expenditures for specified purposes.

SCHEDULE 4

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

OPERATIONS AND MAINTENANCE FUND (RESTRICTED)- SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ACTUAL AND BUDGET

Fiscal Year Ended June 30, 1998

	Actual	Budget
Revenues:		
Investment income earned	$135,445	$250,000
Other sources	108,700	50,000
Total Revenues:	244,145	300,000
Expenditures:		
Site improvements and remodeling	1,987,124	2,315,000
New construction	87,977	-
Expenditures not capitalized	407,264	420,405
New equipment	432,222	350,000
Retirement of indebtedness	500,000	500,000
Total Expenditures	3,414,587	3,585,405
Non-mandatory transfers	3,489,965	2,450,000
Excess (deficiency) of revenues and transfers over expenditures	319,523	(835,405)
Fund balance beginning of year	2,761,451	2,761,451
Fund balance end of year	$3,080,974	$1,926,046

The Operations and Maintenance Fund (Restricted) is used to account for financial resources to be used for the acquisition or construction of major capital facilities. Revenues and expenditures designated for Life Safety purposes are also accounted for in this fund, as required by the Illinois Community College Board.

Statistical Section

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TABLE A

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (Unaudited)

Last Ten Fiscal Years

Year of Levy	Assessed Valuation		Estimated Actual Value	
1997	$11,615,250,000	(3)	$34,845,750,000	(3)
1996	11,443,591,525		34,330,774,575	
1995	11,233,653,899	(1)	33,700,961,697	
1994	10,204,306,153		30,612,918,459	
1993	10,359,036,298		31,077,108,894	
1992	10,135,765,916	(1)	30,407,297,748	
1991	8,613,852,374		25,841,557,122	
1990	8,450,635,111		25,351,905,333	
1989	8,054,970,684	(1)	24,164,912,052	
1988	6,266,415,021	(2)	18,799,245,063	

Note : Assessed value is computed by the Cook County Clerk's office equal to one-third of the estimated actual value.

(1) Triennial reassessment of the total district.
(2) Evanston Township annexed to district.
(3) Estimated

Source: Cook County Clerk's Office

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
PROPERTY TAX LEVIES AND COLLECTIONS (Unaudited)

Last Ten Fiscal Years

Year of Levy	Total Tax Levy	Current Year Taxes Collected	Percent of Levy Collected	Delinquent Taxes Collected (Refunded)	Total Taxes Collected	Total Taxes Collected to Total Tax Levy
1997	$24,786,950	* $11,386,171	45.94%		$11,386,171	45.94%
1996	23,756,864	23,867,317	100.46%		23,867,317	100.46%
1995	26,072,699	26,127,860	100.21%	($18,430)	26,109,430	100.14%
1994	26,009,482	26,256,072	100.95%	(67,541)	26,188,531	100.69%
1993	25,685,567	25,392,292	98.86%	68,808	25,461,100	99.13%
1992	24,177,566	24,192,804	100.06%	(70,521)	24,122,283	99.77%
1991	23,572,659	23,498,949	99.69%	(46,107)	23,452,842	99.49%
1990	16,901,270	16,805,714	99.43%	92,934	16,898,648	99.98%
1989	13,451,801	13,451,150	100.00%	44,960	13,496,110	100.33%
1988	11,906,189	11,872,602	99.72%	44,037	11,916,639	100.09%

Note--Property taxes in Cook County, Illinois, are levied based on a calendar year (January 1 - December 31) and are due in two installments in the calendar year following the year of the levy.

The first installment is usually due on March 1st and is approximately one half the prior year's tax bill. In fiscal year 1998 property tax collections resulting from the first installment have been recognized as revenue in the current period to the extent that collections occurred by August 30, 1998

The second installment generally includes any adjustments to the assessed valuation and is usually due 30 days after assessments are billed (usually by mid-September). The entire second installment (based on the due date) has been deferred and will be recognized in fiscal year 1999.

Any tax levy receivable outstanding at the end of the second fiscal year, after the year of the levy, is written-off against property tax income in that fiscal year. Therefore, there are generally net refunds rather than receivables.

* Estimated
Source: Cook County Treasurer's Office

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
SCHEDULE OF HISTORY OF TAX LEVIES AND COLLECTIONS (Unaudited)
Last Ten Fiscal Years

		Amount of Levy						
Year Of Levy	Estimated Assessed Valuation	Education Fund	Operations and Maintenance Fund	Working Cash Fund	Operations and Maintenance Fund (Restricted)	Liability, Protection, and Settlement Fund	Audit Fund	Social Security and Medicare Fund	Total
1997	$11,615,250,000	$20,007,750	$4,011,850	$ -	$ -	$515,000	$46,350	$206,000	$24,786,950
1996	11,443,591,525	18,927,780	3,787,828	-	-	995,592	45,744		23,756,864
1995	11,233,653,899	17,857,536	3,914,000	3,224,813	-	1,030,000	46,350		26,072,699
1994	10,204,306,153	17,716,000	4,120,000	3,097,132	-	1,030,000	46,350		26,009,482
1993	10,359,036,298	16,995,000	4,635,000	2,979,217	-	1,030,000	46,350		25,685,567
1992	10,135,765,916	15,074,242	4,306,926	2,690,048	1,030,000	1,030,000	46,350		24,177,566
1991	8,613,852,374	15,074,242	4,306,926	2,600,141	1,030,000	515,000	46,350		23,572,659
1990	8,450,635,111	12,777,546	4,123,724	-	-	-	-		16,901,270
1989	8,054,970,684	10,954,760	2,497,041	-	-	-	-		13,451,801
1988	6,266,415,021	9,963,600	1,942,589	-	-	-	-		11,906,189

			Tax Collections (Refund) Received in Year Ended June 30,						
Year	Total Amount	Levy %	1998	1997	1996	1995	1994	1993	1992
1997	$11,386,171	45.94%	$11,386,171						
1996	23,867,317	96.29%	12,575,267	$11,292,050					
1995	26,109,430	100.14%	(18,430)	13,520,444	$12,607,416				
1994	26,188,531	100.69%	(38,665)	(28,876)	13,489,613	$12,766,459			
1993	25,461,100	99.13%	(13,935)	(32,521)	(19,091)	13,599,070	$11,927,577		
1992	24,122,283	99.77%	(4,263)	1,882	(46,092)	(22,048)	12,621,808	$11,570,996	
1991	23,452,842	99.49%	(2,198)	(52,657)	8,521	16,388	(16,161)	15,304,049	$8,194,900
1990	16,898,648	99.98%	1,807	(37,012)	(7,416)	(3,958)	29,190	111,123	10,271,081
1989	13,496,110	100.33%	(930)	(53,405)	(16,143)	(6,545)	23,063	127,533	(28,613)
1988	11,828,565	99.35%	80	(29,524)	(7,278)	(13,481)	(79)	11,065	(1,626)
Prior years			5,395	(1,482)	79,650	(30,070)	67,935	(40,827)	83,783
Total tax collections			$23,889,499	$24,578,899	$26,089,180	$26,305,815	$24,653,333	$27,083,939	$18,519,525

		Tax Rate*						
	Education Fund	Operations and Maintenance Fund	Working Cash Fund	Operations and Maintenance Fund (Restricted)	Liability, Protection, and Settlement Fund	Audit Fund	Social Security and Medicare Fund	Total
Legal limit	.1750	.0500	-	.0500	-	.0050	-	-
Rates extended:								
1997 Estimated	.1723	.0345	-	-	.0044	.0004	.0018	.2134
1996	.1654	.0331	-	-	.0087	.0004		.2076
1995	.1590	.0348	.0287	-	.0092	.0004		.2321
1994	.1736	.0404	.0304	-	.0101	.0005		.2550
1993	.1641	.0447	.0288	-	.0099	.0004		.2479
1992	.1487	.0425	.0265	.0102	.0102	.0005		.2386
1991	.1750	.0500	.0302	.0120	.0060	.0005		.2737
1990	.1510	.0490	-	-	-	-		.2000
1989	.1360	.0310	-	-	-	-		.1670
1988	.1590	.0310	-	-	-	-		.1900

* Tax rates are assessed in dollars per hundred at equalized assessed value.

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TABLE D

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS* (Unaudited)

Last Ten Fiscal Years

Taxing Bodies	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
Cook County	$.694	$.689	$.680	$.971	$1.176	$1.040	$1.068	$1.048	$1.128	$.913
Cook County Forest Preserve	.074	.072	.073	.072	.063	.064	.080	.099	.101	.102
Cook County Health Facilities	.295	.305	.313							
Metropolitan Water Reclamation District	.492	.495	.495	.471	.470	.482	.525	.522	.536	.517
Suburban T.B. Sanitarium	.008	.008	.008	.008	.008	.008	.008	.009	.010	.010
Consolidated Elections						.023		.029		.028
City of Park Ridge	.879	.913	1.022	1.286	1.233	1.380	1.276	1.270	1.474	1.347
City of Park Ridge Library	.321	.306	.296							
Park Ridge Recreation and Park District	.495	.478	.527	.538	.552	.624	.446	.437	.495	.470
Maine Township	.086	.085	.089	.083	.078	.088	.087	.091	.104	.099
Consolidated Elections		.029		.022						
Maine Township General Assistance	.015	.014	.015	.014	.013	.015	.014	.017	.021	.020
Maine Township Road and Bridge	.041	.047	.052	.049	.052	.059	.057	.059	.069	.065
Northwest Mosquito Abatement	.010	.010	.010	.009	.009	.008	.008	.009	.011	.011
School District 64	2.889	2.810	3.043	2.904	2.549	2.956	2.918	2.890	3.075	3.019
Maine Township High School District 207	2.265	2.224	2.335	2.161	2.000	2.206	2.162	2.114	2.231	2.225
Total Overlapping Rate	8.564	8.485	8.958	8.588	8.203	8.953	8.649	8.594	9.255	8.826
Oakton Community College	.208	.233	.255	.248	.239	.274	.200	.167	.190	.189
Total Rate	$8.772	$8.718	$9.213	$8.836	$8.442	$9.227	$8.849	$8.761	$9.445	$9.015
Oakton Community College Percentage of Total	2.4	2.7	2.8	2.8	2.8	3.0	2.3	1.9	2.0	2.1

* Tax rates are assessed in dollars per hundred at equalized assessed value.

Note—Tax rates displayed are representative for property within the district. 1997 rates are not currently available

Source: A local taxpayer's property tax bill.

TABLE E

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

PRINCIPAL TAXPAYERS (Unaudited)
Fiscal Year Ended June 30, 1997 (*)

Taxpayer	Type of Business	1996 Assessed Value (1) (Million)	Percent of District's Total EAV
American National Trust #116914-09	Old Orchard shopping center	$133.6	1.17%
Allstate and Allstate Development.	Insurance (Office Buildings)	$108.7	0.95%
Kraft General Foods and Kraft Inc.	Food sales and distribution	84.3	0.74%
Grosvenor International CA, Ltd	Northbrook Court shopping center	54.8	0.48%
GD Searle Co.	Pharmaceutical research and	47.9	0.42%
Milwaukee Golf Development	Golf Mill shopping center	47.1	0.41%
Commonwealth Edison	Electric utility	44.3	0.39%
Dayton Hudson Corp.	Department stores	32.7	0.29%
Lake Cook Road 3200	Village Square shopping center	30.6	0.27%
Mid America Asset CIV2	Shopping centers	28.5	0.25%
		$612.5	5.37%

(1) Includes only those parcels with an equalized assessed value over $100,000.
(*) As of release of this report, updated information for 199[illegible] was not yet computed by Cook County Clerk's Office

Source: Cook County and various township assessor's offices

TABLE F

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

CURRENT FUNDS (UNRESTRICTED AND RESTRICTED) REVENUES BY SOURCE
(Unaudited)

Last Ten Fiscal Years
(Dollars in Thousands)

Year	Total	Taxes	Inter-governmental	Student Tuition and Fees	Investment Income	Other
1998	$56,505	$24,208	$11,281	$8,377	$3,146	$9,493
1997	57,524	24,579	10,284	7,963	2,808	11,890
1996	57,449	26,089	9,699	8,178	1,981	11,502
1995	56,195	26,301	9,448	7,714	1,545	11,187
1994	51,522	24,097	8,781	7,744	1,071	9,829
1993	49,976	25,540	7,911	8,335	1,032	7,158
1992	39,702	18,505	7,757	7,075	916	5,449
1991	34,009	14,045	7,536	6,020	1,640	4,768
1990	32,273	13,750	7,078	5,338	1,913	4,194
1989	27,220	11,009	6,618	4,756	1,693	3,144

Note: The "Other" category includes Sales, Service and Rental revenue,Retirement of Indebtedness in addition to Miscellaneous revenue.

Source: College records

TABLE G

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

CURRENT FUNDS (UNRESTRICTED AND RESTRICTED) EXPENDITURES BY FUNCTION (Unaudited)

Last Ten Fiscal Years
(Dollars in Thousands)

Year	Total	Instruction	Academic Support	Student Services	Operation and Maintenance of Plant	Administration and Institutional Support	Auxiliary Enterprises	Other
1998	$51,147	$22,392	$3,106	$5,250	$4,623	$4,203	$10,993	$580
1997	50,448	21,339	2,812	4,982	4,090	4,094	9,645	3,486
1996	48,163	20,196	2,846	4,869	3,842	4,222	8,871	3,317
1995	46,219	19,739	2,568	5,027	3,273	4,008	8,209	3,395
1994	42,707	20,547	2,337	4,877	2,903	3,613	5,260	3,170
1993	39,702	18,406	2,781	3,375	2,915	3,970	5,286	2,969
1992	36,819	18,092	2,784	3,065	3,310	3,047	5,490	1,031
1991	34,325	16,411	2,773	2,798	3,245	3,438	4,847	813
1990	30,157	14,998	2,051	2,414	2,926	2,997	3,751	1,020
1989	26,278	13,184	1,581	2,218	2,809	2,742	2,840	904

Note: "Other" (prior to 1998) includes Public Programs, Interest on Bonds, Retirement of Indebtedness, and Athletics prior to 1991

Source: College records

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA (Unaudited)

Fiscal Year	Net General Bonded Debt	Assessed Value (Estimated)	Estimated Population	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1998	$ -	$11,615,250,000	435,502	-	-
1997	-	11,443,591,525	435,502	-	-
1996	2,925,000	11,233,653,899	435,502	0.026%	6.72
1995	5,600,000	10,204,306,153	435,502	0.055%	12.86
1994	8,050,000	10,359,036,298	435,502	0.078%	18.48
1993	10,125,000	10,135,765,916	435,502	0.100%	23.25
1992	12,000,000	8,613,852,374	404,399	0.139%	29.67
1991	-	8,450,635,111	404,399	-	-
1990	-	8,054,970,684	404,399	-	-
1989	-	6,266,415,021	433,000	-	-

RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT TO CURRENT FUNDS EXPENDITURES (Unaudited)

Fiscal Year	Total Current Funds Expenditures (in thousands)	Retirement of Indebtedness Fund Expenditures (in thousands)	Retirement of Indebtedness Funds Expenditures to Current Funds Expenditures
1998	$51,147	-	-
1997	50,448	2,925	5.80%
1996	48,163	2,675	5.55%
1995	46,219	2,873	6.22%
1994	42,707	2,546	5.96%
1993	39,702	2,421	6.10%
1992	36,819	-	-
1991	34,325	-	-
1990	30,157	-	-
1989	26,278	-	-

COMPUTATION OF LEGAL DEBT MARGIN

Assessed Value (Estimated)	$11,615,250,000
Debt limit–2.875% of assessed value	$333,938,438
Bonded indebtedness	-
Legal debt margin	$333,938,438

Sources: Cook County Clerk's Office
College records

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

COMPUTATION OF DIRECT AND OVERLAPPING DEBT (Unaudited)

June 30, 1997*

Overlapping Agencies	Outstanding Bonds	Percent	Amount
Cook County	$1,645,245,000	15.7817 %	$259,647,630
Cook County Forest Preserve	45,535,000	15.7817	7,186,197
Metropolitan Water Reclamation Dist.	1,193,797,193	16.1416	192,697,968
City of Chicago	1,972,985,000	0.0420	828,654
Chicago Park District	439,360,000	0.0420	184,531
Chicago Board of Education	1,460,918,955	0.0420	613,586
Chicago School Finance Authority	744,820,000	0.0420	312,824
Municipalities:			
Village of Deerfield	18,955,000	10.8638	2,059,233
City of Des Plaines	23,365,000	81.9277	19,142,407
City of Evanston	134,500,000	100.0000	134,500,000
Evanston SSA #5	1,940,000	100.0000	1,940,000
Village of Glencoe	18,020,000	100.0000	18,020,000
Glencoe SSA	63,800	100.0000	63,800
Village of Glenview	28,467,500	100.0000	28,467,500
Glenview SSA #5	19,660	100.0000	19,660
Glenview SSA #6	16,049	100.0000	16,049
Glenview SSA #9	132,497	100.0000	132,497
Glenview SSA #10	132,497	100.0000	132,497
Glenview SSA #11	122,027	100.0000	122,027
Glenview SSA #12	72,026	100.0000	72,026
Glenview SSA #16	20,472	100.0000	20,472
Glenview SSA #17	106,555	100.0000	106,555
Glenview SSA #18	45,647	100.0000	45,647
Glenview SSA #20	166,766	100.0000	166,766
Glenview SSA #22	46,672	100.0000	46,672
Glenview SSA #24	26,104	100.0000	26,104
Glenview SSA #27	13,947	100.0000	13,947
Glenview SSA #31	15,750	100.0000	15,750
Glenview SSA #32	46,068	100.0000	46,068
Glenview SSA #33	97,395	100.0000	97,395
Village of Golf	1,575,000	100.0000	1,575,000
Village of Kenilworth	395,000	100.0000	395,000
Village of Lincolnwood	7,000,000	100.0000	7,000,000
Village of Morton Grove	9,700,000	100.0000	9,700,000
Morton Grove SSA #1	215,000	100.0000	215,000
Village of Mount Prospect	22,139,000	0.0670	14,833
Village of Niles	36,230,000	100.0000	36,230,000

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

COMPUTATION OF DIRECT AND OVERLAPPING DEBT (Unaudited)

June 30, 1997*

Overlapping Agencies	Outstanding Bonds	Percent	Amount
Village of Northbrook	$40,800,000	98.6820 %	$40,262,256
Northbrook SSA #1	51,600	100.0000	51,600
Northbrook SSA #2	105,900	100.0000	105,900
Northbrook SSA #3	29,183	100.0000	29,183
City of Park Ridge	9,005,000	100.0000	9,005,000
City of Prospect Heights	190,000	14.7493	28,024
Village of Rosemont	157,140,274	26.0611	40,952,484
Village of Skokie	52,968,531	100.0000	52,968,531
Village of Wilmette	20,130,000	100.0000	20,130,000
Wilmette SSA #2	15,000	100.0000	15,000
Village of Winnetka	365,000	100.0000	365,000
Winnetka SSA #1	430,000	100.0000	430,000
Winnetka SSA #2	85,000	100.0000	85,000
School Districts:			
#26	13,105,061	7.7408	1,014,437
#29	2,495,000	100.0000	2,495,000
#30	8,670,000	100.0000	8,670,000
#31	9,465,000	100.0000	9,465,000
#34	9,485,000	100.0000	9,485,000
#35	17,665,000	100.0000	17,665,000
#36	9,310,000	100.0000	9,310,000
#37	5,690,000	100.0000	5,690,000
#38	730,000	100.0000	730,000
#39	8,890,000	100.0000	8,890,000
#63	22,530,000	100.0000	22,530,000
#64	28,570,000	100.0000	28,570,000
#65	44,820,000	100.0000	44,820,000
#67	1,680,000	100.0000	1,680,000
#68	7,208,000	100.0000	7,208,000
#69	6,025,000	100.0000	6,025,000
#70	2,351,000	100.0000	2,351,000
#71	6,675,000	100.0000	6,675,000
#72	1,105,000	100.0000	1,105,000
#73	3,944,200	100.0000	3,944,200
#73 1/2	8,060,000	100.0000	8,060,000
#74	23,552,728	100.0000	23,552,728
#78	1,465,000	0.0196	287
#79	630,633	0.2729	1,721

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

COMPUTATION OF DIRECT AND OVERLAPPING DEBT (Unaudited)

June 30, 1997*

Overlapping Agencies	Outstanding Bonds	Percent	Amount
High School Districts:			
#202	$9,010,000	100.0000 %	$9,010,000
#203	21,745,000	100.0000	21,745,000
#207	4,375,000	97.5756	4,268,933
#219	14,440,000	100.0000	14,440,000
#225	9,225,000	100.0000	9,225,000
Park Districts:			
Deerfield	370,000	4.7887	17,718
Des Plaines	13,015,000	98.6583	12,840,378
Glenview	19,005,000	100.0000	19,005,000
Golf Maine	390,000	100.0000	390,000
Morton Grove	1,667,000	100.0000	1,667,000
Niles	3,800,000	100.0000	3,800,000
Northbrook	3,934,700	98.7367	3,884,993
Park Ridge	1,950,000	100.0000	1,950,000
Rosemont	475,000	28.7580	136,601
Skokie	28,765,000	100.0000	28,765,000
Wilmette	3,508,000	100.0000	3,508,000
Winnetka	525,000	100.0000	525,000
Miscellaneous:			
North Maine Fire Protection Dist.	4,530,000	100.0000	4,530,000
Wilmette Public Library Dist.	8,575,000	100.0000	8,575,000
Niles Library Dist.	2,060,000	100.0000	2,060,000
Glenbrook Sanitary Dist.	420,000	100.0000	420,000
Northfield Woods Sanitary Dist.	1,110,000	100.0000	1,110,000
			$1,268,113,269
Oakton Community College District No. 535		100.0000 %	0
Total Direct and Overlapping Bonded Debt			$1,268,113,269

*Note: As of release of this report, updated information for 1998 was not yet computed by Cook County Clerk's office. An outstanding note for $1,000,000 at June 30, 1997, for the purchase of the College's Ray Hartstein Campus is excluded from these calculations.

Source: Cook County Clerk's Office

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

STUDENT ENROLLMENT DEMOGRAPHIC STATISTICS (Unaudited)

Calendar Years 1983-1998

	Fall Enrollment		Gender		Attendance		Academic Class		Enrollment Status					
	Head				Full	Part			Continuing				In-District	Ave.
Year	Count	FTE	Male	Female	Time	Time	Freshman	Other	Student	New	Transfer	Readmit	Residency	Age
			%	%	%	%	%	%	%	%	%	%	%	
1998	9,785	4,833	45	55	26	74	67	33	67	17	11	5	83	30
1997	10,007	4,981	44	56	26	74	67	33	68	16	12	4	82	30
1996	10,404	5,191	43	57	26	74	69	31	68	17	12	4	80	30
1995	10,976	5,522	43	57	27	73	68	32	67	17	12	4	81	30
1994	10,501	5,169	43	57	25	75	70	30	66	14	11	9	80	30
1993	11,254	5,411	43	57	24	76	70	30	69	16	11	4	79	29
1992	11,379	5,413	43	57	24	76	71	29	61	17	12	10	80	29
1991	11,253	5,305	43	57	23	77	72	28	60	17	14	9	79	29
1990	10,800	5,123	43	57	24	76	74	26	57	18	14	11	80	29
1989	10,400	4,886	45	55	23	77	76	24	54	20	15	11	81	29
1988	9,100	4,259	44	56	22	78	74	26	55	21	13	11	76	29
1987	8,781	4,001	44	56	22	78	75	25	55	19	14	12	78	29
1986	8,504	3,932	45	55	22	78	74	26	51	20	14	15	81	28
1985	8,335	3,874	44	56	23	77	74	26	54	19	12	15	85	28
1984	8,871	4,212	44	56	24	76	72	28	54	20	11	15	86	28
1983	9,225	4,547	45	55	28	72	75	25	57	20	10	13	87	28

Note — Above statistics reflect tenth day total enrollment for Fall terms of year listed.

Source: College records

Legend:
FTE = Full-Time Equivalent

TABLE K

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

DEMOGRAPHIC STATISTICS CREDIT HOURS BY STUDENT ENROLLMENT CATEGORIES (Unaudited)

Last Ten Fiscal Years

Fiscal Year	Baccalaureate	Business Occupational	Technical Occupational	Health Occupational	Remedial Development	Adult Basic Secondary Education	General Studies	Total Credit Hours
1998	97,732	10,171	21,929	7,059	18,214	28,419	-	183,524
1997	103,011	10,807	20,250	7,963	19,708	28,431	-	190,170
1996	112,394	12,874	19,947	8,228	21,842	28,089	-	203,374
1995	108,675	13,314	18,511	7,461	21,229	25,716	-	194,905
1994	122,757	13,817	19,346	6,921	13,315	25,083	512	201,751
1993	123,475	16,098	20,550	5,062	13,530	24,605	1,768	205,088
1992	118,414	15,847	20,349	4,711	12,600	23,400	2,387	197,708
1991	104,436	15,973	18,269	4,231	12,052	21,652	2,185	178,798
1990	100,104	17,274	17,649	4,117	11,190	20,864	2,219	173,417
1989	91,241	15,757	16,108	4,034	8,472	21,016	3,275	159,903

Source: College records

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TABLE L

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS (Unaudited)

Last Ten Fiscal Years

Year	(1) Property Value (in Thousands)	(2) Construction (in Thousands)	(3) Bank Deposits (in Thousands)
1998	$34,845,750	$476,642	$7,943,902
1997	34,330,775	476,642	7,655,248
1996	33,700,961	424,635	7,721,296
1995	30,612,918	500,309	7,811,701
1994	31,077,109	432,864	7,329,670
1993	30,407,298	388,983	6,124,534
1992	25,841,557	332,616	6,291,449
1991	25,351,905	388,303	5,864,031
1990	24,164,912	456,892	5,973,786
1989	18,799,245	376,833	5,755,696

Note: Beginning in 1994 a number of major banks in the College's district became branches of other banks outside the district who do not report deposits by branch. These branches previously reported approximately $4 billion in deposits which the College has included in this table. Property valyes in 1998 are estimated.

Sources:

(1) Cook County Clerk's Office.
(2) LaSalle Bank Survey of Buildings.
(3) Thompson/Polk Bank Directory.

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
MISCELLANEOUS STATISTICS (Unaudited)

YEAR FOUNDED	1969
POPULATION IN DISTRICT	435,502

COMMUNITIES SERVED

Deerfield	Glenview	Morton Grove	Park Ridge
Des Plaines	Golf	Niles	Prospect Heights
Evanston	Kenilworth	Northbrook	Skokie
Glencoe	Lincolnwood	Northfield	Wilmette
			Winnetka

ACCREDITATION

North Central Association of Colleges and Schools	1972, 1975, 1981, 1987, 1997
Next scheduled visit	2007

FACILITIES DATA

	Des Plaines Campus	Skokie Campus
Date Purchased	1974	1989
Size of campus	172 acres	21 acres
Square Footage available	435,840	160,900
Number of classrooms	65	31
Number of laboratories	46	12

EMPLOYEE DATA

	1997	1998
Faculty		
Full-time	155	152
Part-time	747	798
Administrators	27	26
Classified Staff		
Full-time	241	246
Part-time	84	86

STUDENT DATA

Average class size (Fall 1997 and 1998)	18.4	18.3

DEGREE AND CERTIFICATES AWARDED

A.A. and A.S.	214	236
A.A.S.	210	190
Certificates	203	169

OAKTON COMMUNITY COLLEGE
DIVERSITY
EXCELLENCE
GROWTH
1969

Special Reports Section

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

SUPPLEMENTAL FINANCIAL INFORMATION SECTION

June 30, 1998

UNIFORM FINANCIAL STATEMENTS

The Uniform Financial Statements are required by the Illinois Community College Board for the purpose of providing consistent audited data for every community college district. Regardless of the basis of accounting used for a College's balance sheet and statement of revenues and expenditures, the Uniform Financial Statements are completed using the modified accrual basis of accounting prescribed by the NCGA Statement No. 1 and related interpretations.

The Uniform Financial Statements include the following:

No. 1 - All Funds Summary
No. 2 - Summary of Fixed Assets and Debt
No. 3 - Operating Funds Revenues and Expenditures
No. 4 - Restricted Purposes Fund Revenues and Expenditures
No. 5 - Current Funds Expenditures by Activity

CERTIFICATE OF CHARGEBACK REIMBURSEMENT

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT NO. 1
Fiscal Year Ended June 30, 1998

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Working Cash Bond Retirement Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund
Fund balance July 1, 1997	$7,022,281	$11,081,184	$2,761,451	$974,827	$1,870,461	$1,277,039
Revenues:						
Local tax revenue	18,973,619	3,908,820	-	(1,596)	-	-
All other local revenue	82,670	-	-	-	107,524	-
ICCB grants	4,787,798	-	-	-	675,015	1,110,030
All other state revenue	830,106	-	-	-	35,931	2,420,807
Federal revenue	-	-	-	-	-	1,650,898
Student tuition and fees	8,377,177	-	-	-	1,155,033	-
All other revenue	2,199,483	772,227	244,145	66,734	7,048,278	868,284
Total revenue	35,250,853	4,680,847	244,145	65,138	9,021,778	6,050,019
Expenditures						
Instruction	19,069,258	-	-	-	-	3,323,020
Academic Support	2,693,260	-	-	-	-	412,347
Student Services	3,989,795	-	-	-	-	1,260,095
Public Service	376,354	-	-	-	-	203,773
Organized Research	-	-	-	-	-	-
Independent Operations	-	-	-	-	10,992,979	-
Operations and Maintenance	-	3,657,029	3,414,587	-	-	378,101
General Administration	2,282,083	-	-	-	-	-
Institutional Support	829,854	-	-	-	-	471,683
Other expenditures	-	-	-	-	-	-
Total expenditures	29,240,604	3,657,029	3,414,587	-	10,992,979	6,050,019
Net transfers	(1,172,000)	(2,450,000)	3,489,965	(1,039,965)	1,172,000	-
Fund Balance June 30, 1998	$11,860,530	$9,655,002	$3,080,974	-	$1,071,260	$1,277,039

	Working Cash Fund	Loan Fund	Audit Fund	Liability, Protection, Settlement Fund	Total All Funds
Fund balance July 1, 1997	$14,500,000	$194,752	$83,927	$1,480,802	$41,246,724
Revenues:					
Local tax revenue	-	-	46,837	1,280,838	24,208,118
All other local revenue	-	-	-	-	190,194
ICCB grants	-	-	-	-	6,572,843
All other state revenue	-	-	-	-	3,286,844
Federal revenue	-	-	-	-	1,650,898
Student tuition and fees	-	-	-	-	9,532,210
All other revenue	-	6,003	3,812	105,348	11,314,311
Total revenue	-	6,003	50,649	1,385,986	56,755,418
Expenditures					
Instruction	-	-	-	-	22,392,278
Academic Support	-	-	-	-	3,105,607
Student Services	-	-	-	-	5,249,890
Public Service	-	-	-	-	580,127
Organized Research	-	-	-	-	-
Independent Operations	-	-	-	-	10,992,979
Operations and Maintenance	-	-	-	587,200	8,037,917
General Administration	-	-	-	-	2,282,083
Institutional Support	-	42,857	45,327	574,009	1,963,730
Total expenditures	-	42,857	45,327	1,161,209	54,604,611
Net transfers	-	-	-	-	-
Fund Balance June 30, 1998	$14,500,000	$157,898	$89,249	$1,705,579	$43,397,531

Note: Excludes Investment in Plant Fund

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
SUMMARY OF FIXED ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT NO. 2
Fiscal Year Ended June 30, 1998

	Balance July 1,1997	Additions	Deletions	Balance June 30, 1998
FIXED ASSETS:				
Sites and improvements	$11,216,883	$93,887	-	$11,310,770
Buildings, additions and improvements	53,699,640	1,948,052	(20,000)	55,627,692
Equipment	14,953,644	3,955,148	(2,209,970)	16,698,822
	79,870,167	5,997,087	(2,229,970)	83,637,284
Accumulated depreciation	(19,565,271)	(2,989,095)	2,006,622	(20,547,744)
Net fixed assets	$60,304,896	$3,007,992	($223,348)	$63,089,540
FIXED DEBT				
Note payable	$1,000,000	-	($500,000)	500,000
Total fixed liabilities	$1,000,000	-	($500,000)	$500,000

The College had no tax anticipation warrants or notes at June 30, 1998

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT NO. 3

Fiscal Year Ended June 30, 1998

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local governments:			
Current taxes	$9,072,501	$1,814,956	$10,887,457
Back taxes	9,901,118	2,093,664	11,994,782
Chargeback revenue	82,670	-	82,670
Total Local Government	19,056,289	3,908,620	22,964,909
State government:			
ICCB credit hour grant	4,787,798	-	4,787,798
SBE - Vocational education	124,643	-	124,643
Other	705,463	-	705,463
Total State Government	5,617,904	-	5,617,904
Student tuition and fees:			
Tuition	7,322,640	-	7,322,640
Fees	1,054,537	-	1,054,537
Total tuition and fees	8,377,177	-	8,377,177
Other sources:			
Sales and service fees	22,797	-	22,797
Investment income earned	2,125,424	772,227	2,897,651
Other	51,262	-	51,262
Total other revenue	2,199,483	772,227	2,971,710
Total operating revenues	35,250,853	4,680,847	39,931,700
Less non-operating item:			
Tuition chargeback revenue*	(82,670)	-	(82,670)
Adjusted revenues	$35,168,183	$4,680,847	$39,849,030

*Intercollege revenues that do not generate related local credit hours are subtracted to allow for statewide comparisons.

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT NO. 3--Continued
Fiscal Year Ended June 30, 1998

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program:			
Instruction	$19,069,258	$ -	$19,069,258
Academic support	2,693,260	-	2,693,260
Student services	3,989,795	-	3,989,795
Public services	376,354	-	376,354
Operations and maintenance of plant	-	3,657,029	3,657,029
General administration	2,282,083	-	2,282,083
Institutional support	829,854	-	829,854
Transfers	1,172,000	2,450,000	3,622,000
Total Expenditures	30,412,604	6,107,029	36,519,633
Less non-operating items*			
Tuition chargeback	(156,750)	-	(156,750)
Transfers to non-operating funds	(1,172,000)	(2,450,000)	(3,622,000)
Adjusted expenditures	$29,083,854	$3,657,029	$32,740,883
Operating expenditures by object:			
Salaries	$21,597,042	$1,858,064	$23,455,106
Employee benefits	2,148,345	316,200	2,464,545
Contractual services	2,733,815	158,428	2,892,243
General materials and supplies	1,766,508	256,836	2,023,344
Conferences and meetings	216,502	5,833	222,335
Fixed charges	37,381	(2,909)	34,472
Utilities	269,476	871,358	1,140,834
Capital outlay	471,535	193,219	664,754
Transfers	1,172,000	2,450,000	3,622,000
Total Expenditures	30,412,604	6,107,029	36,519,633
Less non-operating items*			
Tuition chargeback	(156,750)	-	(156,750)
Transfers to non-operating funds	(1,172,000)	(2,450,000)	(3,622,000)
Adjusted expenditures	$29,083,854	$3,657,029	$32,740,883

*Intercollege expenditures that do not generate related local credit hours are subtracted to allow for statewide comparisons.

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT NO. 4
Fiscal Year Ended June 30, 1998

Restricted purposes fund-revenues by source:	
State government:	
ICCB Business/Industry grant	$140,078
ICCB Advanced Technology grant	130,959
ICCB Technology Support grant	103,760
ICCB Special Populations grant	294,441
ICCB Student Support Services grant	82,791
ICCB Retirees Health Insurance grant	68,972
ICCB Education To Careers grant	133,029
ICCB Technology Enhancement grant	156,000
SBE - Vocational Education	20,175
Other	2,400,632
Total State Government	3,530,837
Federal Government:	
Federal Work Study grants	17,260
Pell grants	806,303
Other	827,335
Total Federal Government	1,650,898
Other sources:	
Student tuition and fees	-
Other	868,284
Total other sources	868,284
Total revenues	$6,050,019
Expenditures by program:	
Instruction	$3,323,020
Academic support	412,347
Financial aid	891,634
Other student services	368,461
Public services	203,773
Operation and maintenance of plant	379,101
Institutional support	471,683
Total expenditures	$6,050,019
Expenditures by object	
Salaries	$1,556,074
Employee benefits	2,033,676
Contractual services	550,332
Student financial aid	891,634
General materials and supplies	200,571
Conference and meetings	80,088
Fixed charges	17,356
Utilities	3,121
Capital outlay	717,167
Total	$6,050,019

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
CURRENT FUNDS*-EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT NO. 5
Fiscal Year Ended June 30, 1998

INSTRUCTION	
Instructional Programs	19,585,061
Instructional Support	2,807,217
Total Instruction	22,392,278
PUBLIC SERVICE	580,127
ACADEMIC SUPPORT	
Learning Resource Center	1,280,418
Other Academic Support	1,825,189
Total Academic Support	3,105,607
STUDENT SERVICES SUPPORT	
Admissions and Records	1,775,220
Counseling and Career Services	1,430,281
Financial Aid Administration	-
Student Financial Aid	891,634
Other Student Services Support	1,152,755
Total Student Services Support	5,249,890
OPERATIONS AND MAINTENANCE OF PLANT	
O & M Administration	216,152
Custodial Services	976,586
Building Maintenance	822,444
Grounds Maintenance	259,323
Plant Utilities	854,808
Security	587,200
Transportation	-
Other O & M	906,817
Total Operations and Maintenance of Plant	4,623,330
GENERAL ADMINISTRATION	
Executive Office	274,716
Business Office	265,874
General Administrative Services	1,332,939
Community Relations	388,598
Other Support	19,956
Total General Administration	2,282,083
INSTITUTIONAL SUPPORT	
General Institutional Support	1,449,190
Other Institutional Support	471,683
Total Institutional Support	1,920,873
INDEPENDENT OPERATIONS	10,992,979
TOTAL CURRENT FUNDS EXPENDITURES	51,147,167

*Current funds include: Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; Liability, Protection and Settlement

SCHEDULE 6

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
CERTIFICATION OF CHARGEBACK REIMBURSEMENT
FOR FISCAL YEAR 1999

All non-capital audited operating expenditures for fiscal year 1998 from all revenue sources

Education Fund	$28,769,069
Operations and Maintenance Fund	3,463,812
Public Building Commission Operation and Maintenance Fund	-
Bond and Interest Fund	-
Public Building Commission Rental Fund	-
Restricted Purposes Fund	6,017,897
Audit Fund	45,327
Liability, Protection, and Settlement Fund	1,128,346
Auxiliary Enterprises Fund (subsidy only)	1,726,745
Total Non-Capital Audited Expenditures	41,151,196
Plus depreciation for equipment paid from non-state and non-federal monies	1,334,979
Plus depreciation on building and fixed equipment paid from non-state and non-federal monies	804,232
Equals Total Qualified Expenditures	43,290,407
Less all fiscal year 1997 state and federal operating grants for non-capital expenditures, except ICCB grants	4,226,796
Equals adjusted qualified expenditures	39,063,611
Total Certified Semester Credit Hours	176,170.50
Adjusted qualified expenditures for fiscal year 1998	39,063,611
Divided by total certified credit hours for fiscal year 1998	176,170.50
Equal Cost per Semester Credit Hour	221.74
Cost per semester credit hour	221.74
Less each district's average grant rate for fiscal year 1998	35.79
Less each district's student tuition and fees per semester credit hour for fiscal year 1998	41.25
Equals Chargeback Reimbursement per Semester Credit Hour	$144.70
Per-Capita Cost per Semester Credit Hour	$245.73

Approved: _____ _____
Chief Fiscal Officer Date

Approved: _____ _____
President Date

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

ILLINOIS COMMUNITY COLLEGE BOARD GRANTS

June 30, 1998

FINANCIAL-COMPLIANCE SECTION

Advanced Technology Equipment Grant -- provides funding to assist in updating curricula that have been significantly impacted by advanced technology.

Special Populations Grant -- provides funding for special or extra services to assist disadvantaged students to initiate, continue, or resume their education, including tutoring, educational and career counseling, referrals to external agencies, and testing/evaluation to determine courses or services needed by a disadvantaged student. Courses funded by this grant provide the academic skills necessary to remedy or correct educational deficiencies to allow the attainment of educational goals, including remedial, adult basic education, adult secondary education, and English as a second language courses.

Business/Industry Grant -- provides funding to be used to operate a business assistance center or workforce preparation office. Activities include assistance in commercial and industrial expansion and/or retention and employment training services for unemployed or underemployed adults to improve their job skills and assist them in seeking employment.

Retirees Health Insurance Grant -- is provided to Oakton Community College for the purpose of funding part of health insurance costs for certain qualifying College retirees.

Workforce Preparation Grant for Special Student Support Services Initiatives -- provides funds to expand career counseling and advisement services to better prepare students for the workplace.

Special Grant for Technology Support Initiatives -- provides funds for equipment purchases in support of the College's overall operations.

Workforce Preparation Grant for Special Education-to-Careers Initiatives -- provides funds to develop a fully integrated education employment system to help students move from education to work and to continue education while at work.

Deferred Maintenance Grant – provides funds for the purpose of funding, at least in part, day-to-day interior maintenance which, because of fiscal constraints, may continue to be deferred.

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OAKTON COMMUNITY COLLEGE
DIVERSITY
1969
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GROWTH

ARTHUR ANDERSEN LLP

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Trustees,
Oakton Community College,
Community College District No. 535,
Des Plaines, Illinois 60016:

We have audited the accompanying balance sheets of the Oakton Community College-Community College District No. 535 (the College) Advanced Technology Equipment Grant, the Special Populations Grant, the Business/Industry Grant, Retirees' Health Insurance Grant, Workforce Preparation Grant for Special Student Support Services Initiatives, Special Grant for Technology Support Initiatives, Workforce Preparation Grant for Special Education-to-Careers Initiatives, Technology Enhancement Grant and Deferred Maintenance Grant as of June 30, 1998, and the related statements of revenues, expenditures and changes in fund balance--budget and actual for the year then ended. These financial statements and the supplementary information referred to below are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements and the supplementary information based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, the guidelines of the Illinois Community College Board (ICCB) *Fiscal Management Manual* and the statements applicable to financial audits contained in the *Government Auditing Standards* (1994 Revision), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College's Advanced Technology Equipment Grant, the Special Populations Grant, the Business/Industry Grant, Retirees' Health Insurance Grant, Workforce Preparation Grant for Special Student Support Services Initiatives, Special Grant for Technology Support Initiatives, Workforce Preparation Grant for Special Education-to-Careers Initiatives, Technology Enhancement Grant and Deferred Maintenance Grant as of June 30, 1998, and the revenues, expenditures and changes in its fund balance for the year then ended, in conformity with generally accepted accounting principles and the requirements of the ICCB.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included on the ICCB Compliance Schedules for the Special Populations Grant and the Business/Industry Grant is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Special Populations Grant or the Business/Industry Grant. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 1998, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Arthur Andersen LLP

Chicago, Illinois,
September 11, 1998

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ARTHUR ANDERSEN LLP

OAKTON COMMUNITY COLLEGE

Community College District No. 535

Notes

ARTHUR ANDERSEN LLP

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Trustees,
Oakton Community College,
Community College District No. 535,
Des Plaines, Illinois 60016:

We have audited the accompanying financial statements of the Oakton Community College-Community College District No. 535 (the College) Advanced Technology Equipment Grant, the Special Populations Grant, the Business/Industry Grant, Retirees' Health Insurance Grant, Workforce Preparation Grant for Special Student Support Services Initiatives, Special Grant for Technology Support Initiatives, Workforce Preparation Grant for Special Education-to-Careers Initiatives, Technology Enhancement Grant and Deferred Maintenance Grant as of and for the year ended June 30, 1998, and have issued our report thereon dated September 11, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* (1994 Revision), issued by the Comptroller General of the United States and the guidelines of the Illinois Community College Board *Fiscal Management Manual*.

Compliance

As part of obtaining reasonable assurance about whether these financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk of misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Trustees, management and federal awarding agencies and pass-through agencies. However, this report is a matter of public record and its distribution is not limited.

Arthur Andersen LLP

Chicago, Illinois,
September 11, 1998

ARTHUR ANDERSEN LLP

OAKTON COMMUNITY COLLEGE

Community College District No. 535

Notes

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
ADVANCED TECHNOLOGY EQUIPMENT GRANT

BALANCE SHEET
June 30, 1998

Assets:	
Cash	$ -
Liabilities and Fund Balance:	
Accounts payable	-
Total liabilities	-
Fund Balance	-
Total Liabilities and Fund Balance	$ -

STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Illinois Community College Grant	$130,959	$130,959	$ -
Expenditures:			
Capital outlay	130,959	130,959	-
Total expenditures	130,959	130,959	-
Excess (deficiency) of revenues over expenditures	$ -	-	$ -
Fund balance June 30, 1997		-	
Fund balance June 30, 1998		$ -	

See accompanying Notes to Financial Statements.

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
SPECIAL POPULATIONS GRANT

BALANCE SHEET
June 30, 1998

Assets:	
Cash	**$ -**
Liabilities and Fund Balance:	
Accounts payable	**-**
Total liabilities	**-**
Fund Balance	**-**
Total Liabilities and Fund Balance	**$ -**

STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Illinois Community College Grant	**$294,441**	**$294,441**	**$ -**
Expenditures:			
Salaries	**264,122**	**264,122**	**-**
Employee benefits	**30,319**	**30,319**	**-**
Total expenditures	**294,441**	**294,441**	**-**
Excess (deficiency) of revenues over expenditures	**$ -**	**-**	**$ -**
Fund balance June 30, 1997		**-**	
Fund balance June 30, 1998		**$ -**	

See accompanying Notes to Financial Statements.

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
ICCB COMPLIANCE SCHEDULE FOR SPECIAL POPULATIONS GRANT
TOTAL EXPENDITURES FOR ICCB GRANT FUNDS ONLY
Fiscal Year Ended June 30, 1998

	COLUMN A DIRECT SERVICES	COLUMN B ADMINISTRATIVE (30% MAXIMUM)	COLUMN C TOTAL
EXPENDITURES			
1 SALARIES AND BENEFITS			
A Administrative and clerical staff*	$ -	$83,415	$83,415
B Instructors (30% maximum)**	-		-
C Counselors	121,917		121,917
D Tutors	47,752		47,752
E Other direct support staff	41,357		41,357
Total salaries and benefits	211,026	83,415	294,441
2 Conference and meeting expenses			
F Consultants			
G Staff development/travel			
H Student activities/transportation			
Total conferences and meetings	-	-	-
3 Materials			
I Instructional, testing, assessment			
J Consumable supplies*			
Total materials	-	-	-
4 Fixed charges			
k Rental of facilities*			
5 Utilities			
6 Capital outlay			
L Office equipment*			
M Instructional equipment			
Total capital outlay	-	-	-
Total expenditures	$211,026	$83,415	$294,441

* Sum of total administrative expenditures (column b) should not exceed 30 percent of the district's special populations grant

** Sum of instructors salary and benefits (item 1b) should not exceed 30 percent of the district's total special populations grant

***Sum of total expenditures (column c) should equal total expenditures reported in schedule of revenues, expenditures, and changes in fund balance

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
BUSINESS/INDUSTRY GRANT

BALANCE SHEET
June 30, 1998

Assets:	
Cash	$ -
Liabilities and Fund Balance:	
Accounts payable	-
Total liabilities	-
Fund Balance	-
Total Liabilities and Fund Balance	$ -

STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Illinois Community College Grant	$140,078	$140,078	$ -
Expenditures:			
Salaries	124,496	124,496	-
Employee benefits	15,582	15,582	-
Total expenditures	140,078	140,078	-
Excess (deficiency) of revenues over expenditures	$ -	-	$ -
Fund balance June 30, 1997		-	
Fund balance June 30, 1998		$ -	

See accompanying Notes to Financial Statements.

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
ICCB COMPLIANCE SCHEDULE FOR BUSINES/INDUSTRY GRANT
TOTAL EXPENDITURES FOR ICCB GRANT FUNDS ONLY
Fiscal Year Ended June 30, 1998

	COLUMN A GENERAL	COLUMN B OPERATION OF BUSINESS/ INDUSTRY OFFICE**	COLUMN C TOTAL***
EXPENDITURES			
1 Personnel (salaries and benefits)	$ -	$140,078	$140,078
2 Contractual services	-	-	-
3 Instructional media	-	-	-
4 Instructional equipment*	-	-	-
5 Promotional materials	-	-	-
6 Staff development	-	-	-
7 Conference and meeting expenses	-	-	-
8 Travel	-	-	-
9 Cost of operating a business assistance center/economic development/workforce preparation offices			
a Office equipment*	-	-	-
b Utilities and telephone	-	-	-
c Consumable supplies	-	-	-
d Duplicating	-	-	-
e Facility rental	-	-	-
10 Totals	$ -	$140,078	$140,078

* Sum of expenditures should be less than or equal to 25 percent of the district's total workforce preparation grant

** A minimum of $30,000 should be spent to operate a busines assistance center, economic development/workforce preparation office

*** Sum of total expenditures (column c) should equal total expenditures reported in schedule of revenue, expenditures, and changes in fund balance

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
RETIREES HEALTH INSURANCE GRANT

BALANCE SHEET
June 30, 1998

Assets:	
Cash	$39,060
Liabilities and Fund Balance:	
Accounts payable	$39,060
Total liabilities	$39,060
Fund Balance	-
Total Liabilities and Fund Balance	$39,060

STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Illinois Community College Grant	$68,972	$68,972	$ -
Expenditures:			
Retiree benefits paid	68,972	68,972	-
Total expenditures	68,972	68,972	-
Excess (deficiency) of revenues over expenditures	$ -	-	$ -
Fund balance June 30, 1997		-	
Fund balance June 30, 1998		$ -	

See accompanying Notes to Financial Statements.

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
WORKFORCE PREPARATION GRANT FOR SPECIAL
STUDENT SUPPORT SERVICES INITIATIVES

BALANCE SHEET
June 30, 1998

Assets:	
Cash	$11,273
Liabilities and Fund Balance:	
Accounts payable	$11,273
Total liabilities	$11,273
Fund Balance	-
Total Liabilities and Fund Balance	$11,273

STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Illinois Community College Grant	$82,791	$82,791	$ -
Expenditures:			
Salaries	55,240	55,240	-
Supplies	5,395	5,395	-
Printing	4,605	4,605	-
Meeting expenses	500	500	-
Travel	8,900	8,900	-
Equipment	8,151	8,151	-
Total expenditures	82,791	82,791	-
Excess (deficiency) of revenues over expenditures	$ -	-	$ -
Fund balance June 30, 1997		-	
Fund balance June 30, 1998		$ -	

See accompanying Notes to Financial Statements.

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
SPECIAL GRANT FOR TECHNOLOGY SUPPORT INITIATIVES

BALANCE SHEET
June 30, 1998

Assets:	
Cash	$22,077
Liabilities and Fund Balance:	
Accounts payable	$22,077
Total liabilities	$22,077
Fund Balance	-
Total Liabilities and Fund Balance	$22,077

STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Illinois Community College Grant	$103,760	$103,760	$ -
Expenditures:			
Contractual services	55,859	55,859	-
Equipment	47,901	47,901	-
Total expenditures	103,760	103,760	-
Excess (deficiency) of revenues over expenditures	$ -	-	$ -
Fund balance June 30, 1997		-	
Fund balance June 30, 1998		$ -	

See accompanying Notes to Financial Statements.

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
WORKFORCE PREPARATION GRANT FOR SPECIAL
EDUCATION-TO-CAREERS INITIATIVES

BALANCE SHEET
June 30, 1998

Assets:	
Cash	$25,654
Liabilities and Fund Balance:	
Accounts payable	$25,654
Total liabilities	$25,654
Fund Balance	-
Total Liabilities and Fund Balance	$25,654

STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Illinois Community College Grant	$133,029	$133,029	$ -
Expenditures:			
Salaries	22,000	19,321	-
Contractual services	9,000	6,936	-
Staff development	12,029	16,808	-
Supplies	5,000	5,879	-
Meeting expenses	5,000	3,847	-
Travel	10,000	10,238	-
Equipment	70,000	70,000	-
Total expenditures	133,029	133,029	-
Excess (deficiency) of revenues over expenditures	$ -	-	$ -
Fund balance June 30, 1997		-	
Fund balance June 30, 1998		$ -	

See accompanying Notes to Financial Statements.

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
TECHNOLOGY ENHANCEMENT GRANT

BALANCE SHEET
June 30, 1998

Assets:	
Cash	$ -
Liabilities and Fund Balance:	
Accounts payable	-
Total liabilities	-
Fund Balance	-
Total Liabilities and Fund Balance	$ -

STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Illinois Community College Grant	$156,000	$156,000	$ -
Expenditures:			
Equipment	156,000	156,000	-
Total expenditures	156,000	156,000	-
Excess (deficiency) of revenues over expenditures	$ -	-	$ -
Fund balance June 30, 1997		-	
Fund balance June 30, 1998		$ -	

See accompanying Notes to Financial Statements.

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
DEFERRED MAINTENANCE GRANT

BALANCE SHEET
June 30, 1998

Assets:	
Cash	$40,811
Liabilities and Fund Balance:	
Accounts payable	40,811
Total liabilities	40,811
Fund Balance	-
Total Liabilities and Fund Balance	$40,811

STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Illinois Community College Grant	$48,150	$48,150	$ -
Expenditures:			
Equipment	48,150	48,150	-
Total expenditures	48,150	48,150	-
Excess (deficiency) of revenues over expenditures	$ -	-	$ -
Fund balance June 30, 1997		-	
Fund balance June 30, 1998		$ -	

See accompanying Notes to Financial Statements.

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

NOTES TO FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 1998

Summary of Significant Account Policies

(1) General

The accompanying statements include only those transactions resulting from the Illinois Community College Board (ICCB) Advanced Technology Equipment Grant, Special Populations Grant, Business/Industry Grant, Retirees Health Insurance Grant, Workforce Preparation Grant for Special Student Support Services Initiatives, Special Grant for Technology Support Initiatives, Workforce Preparation Grant for Special Education-to-Careers Initiatives and Deferred Maintenance Grant programs. These transactions have been accounted for in the Restricted Purpose Fund.

(2) Basis of Accounting

The statements have been prepared on the modified accrual basis.

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SCHEDULE OF ENROLLMENT DATA AND OTHER
BASES UPON WHICH CLAIMS WERE FILED

RECONCILIATION OF SEMESTER CREDIT HOURS

RECONCILIATION OF TOTAL REIMBURSABLE SEMESTER CREDIT HOURS

RECONCILIATION OF IN-DISTRICT/CHARGEBACK
REIMBURSABLE CREDIT HOURS

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535

Year Ended June 30, 1998

OAKTON COMMUNITY COLLEGE
DIVERSITY
EXCELLENCE
GROWTH
1969

ARTHUR ANDERSEN LLP

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Trustees,
Oakton Community College,
Community College District No. 535,
Des Plaines, Illinois 60016:

We have audited the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, the Reconciliation of Semester Credit Hours, the Reconciliation of Total Reimbursable Credit Hours, the Reconciliation of In-District/Cnargeback Reimbursable Credit Hours and the Reconciliation of Total Reimbursable Correctional Semester Credit Hours of Oakton Community College-Community College District No. 535 (the College) for the year ended June 30, 1998. These schedules are the responsibility of the College's management. Our responsibility is to express an opinion on these schedules based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the guidelines of the Illinois Community College Board *Fiscal Management Manual* and the standards applicable to financial audits contained in the *Government Auditing Standards* (1994 Revision), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the Enrollment Data and Other Bases Upon Which Claims Were Filed, the Reconciliation of Semester Credit Hours, the Reconciliation of Total Reimbursable Credit Hours and the Reconciliation of In-District/Chargeback Reimbursable Credit Hours for the year ended June 30, 1998, in accordance with the regulations of the Illinois Community College Board.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 1998, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Arthur Andersen LLP

Chicago, Illinois,
September 11, 1998

ARTHUR ANDERSEN LLP

OAKTON COMMUNITY COLLEGE
Community College District No. 535

Notes

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
Fiscal Year Ended June 30, 1998

SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS WERE FILED

	Total Reimbursable Semester Credit Hours by Term			
Categories	Summer 1997	Fall 1997	Spring 1998	Total
Baccalaureate	16,928.00	38,762.00	37,333.00	93,023.00
Business Occupational	739.50	4,697.50	4,424.00	9,861.00
Technical Occupational	2,117.50	8,781.00	9,723.50	20,622.00
Health Occupational	932.50	2,887.00	3,117.50	6,937.00
Remedial Developmental	1,628.50	8,818.50	7,109.50	17,556.50
Adult Basic/Secondary Education	1,068.00	10,772.00	16,331.00	28,171.00
Total Credit Hours Certified	23,414.00	74,718.00	78,038.50	176,170.50

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
In-District Residents	145,815.50	1,750.10	147,565.60
District Prior Year Equalized Assessed Valuation			$11,615,250,000

RECONCILIATION OF SEMESTER CREDIT HOURS

Funding Categories	Total Credit Hours	Total Credit Hours Certified to the ICCB	Difference*
Baccalaureate	97,732.00	93,023.00	4,709.00
Business Occupational	10,170.50	9,861.00	309.50
Technical Occupational	21,929.00	20,622.00	1,307.00
Health Occupational	7,059.00	6,937.00	122.00
Remedial Developmental	18,214.00	17,565.50	648.50
Adult Basic/Secondary Education	28,419.00	28,171.00	248.00
Total	183,523.50	176,179.50	7,344.00

* The difference is accounted for by non-reinbursable credit hours for out-of-state students, students repeating certain ineligible courses, students funded by grant programs, students auditing courses, and concurrent high school students.

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NO.535
RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
Fiscal Year Ended June 30, 1998

Funding Categories	Total Reimbursable Credit Hours	Total Reimbursable Credit Hours certified to the ICCB	Difference
Baccalaureate	93,023.00	93,023.00	0.00
Business Occupational	9,861.00	9,861.00	0.00
Technical Occupational	20,622.00	20,622.00	0.00
Health Occupational	6,937.00	6,937.00	0.00
Remedial Developmental	17,556.50	17,556.50	0.00
Adult Basic/Secondary Education	28,171.00	28,171.00	0.00
Total	176,170.50	176,170.50	0.00

RECONCILIATION OF IN-DISTRICT/CHARGEBACK REIMBURSABLE CREDIT HOURS

	Total Attending	Total Attending as Certified to the ICCB	Difference
In-District Residents	148,815.50	148,815.50	0.00
Out-of-District on Chargeback or Contract	1,750.10	1,750.10	0.00
Total	150,565.60	150,565.60	0.00